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Daniel C. Roper, Secretary
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CENSUS OF BUSINESS: 1935

WHOLESALE DISTRIBUTION

DRUG WHOLESALING

JUNE, 1937

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CENSUS OF BUSINESS: 1935

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DRUG WHOLESALING: 1935

Prepared Under the Supervision of
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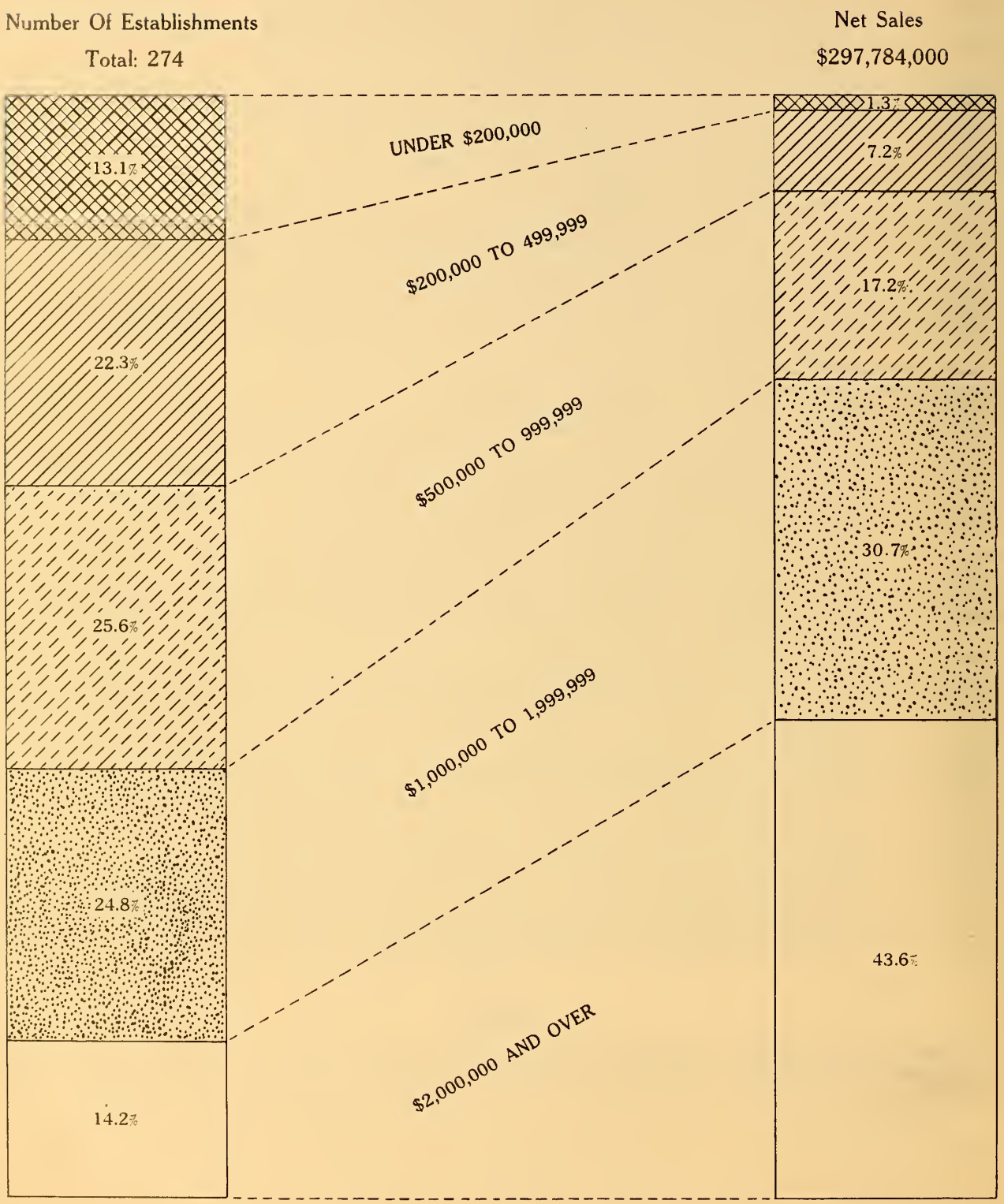
CHART 1. ESTABLISHMENTS AND SALES OF FULL-LINE DRUG WHOLESALE MERCHANTS BY BUSINESS-SIZE GROUPS



BUREAU OF THE CENSUS

WHOLESALE DISTRIBUTION: 1935

DRUG WHOLESALING

FOREWARD

This is one of a eeriee of special reports on Wholesale Distribution, a part of the Census of Business, 1935. The etatietice were collected in 1936 by a field canvase of wholesale establishmants in every State, city and county in the United States, by the Bureau of the Census, with funds provided by the Worke Progress Adminietration. They cover the operations of wholeealers during the year 1935.

Special reports on wholesale distribution are prepared under the supervieion of John Albright, Chief of Wholesale Trade, by Dr. Albert Haring.

The field canvase was based upon wholesale establishments, which are defined for Census purposes as places of businees where goods are sold in a wholesale manner. Selling on a wholesale basie ie eelling primarily to retailers, institutions, industrial users and other wholesale organizations, for resale or further processing or business use, rather than for personal or household consumption. No eetablishmente are included in this report unlese 50 percent or more of their sales were made at wholesale. For Census purposes, therefore, wholeeale eetablishments do not include peddlers or others eelling at wholeeale without recognizable places of bueiness; nor wholesaler-retailers and manufacturer-wholeealers when their wholesaling activities are secondary; nor central administrative and other non-eelling establishments of wholesale concerne when reported as separate eetabliehmente.

The detailed analysis of drug wholesaling herein preeented is preceded by a brief examination of drug manufacturing and the primary methods used in disposing of the output. The emphaeis throughout, however, is on the wholesale phase of drug distribution.

THE DRUG INDUSTRY

Scope of the Drug Industry.--In determining the quantity of drug merchandiee produced and sold in the United States, one is immediately confronted with the problem of defining drugs and drug sundriee. The nature of manufacturing is such that both drug and non-drug items are frequently fabricated in the same plant. In addition, articles such as soap, tobacco, and confectionery are widely sold in the drug trade although, as commodities, they are non-drug. For the purpose of this study, industries have been included only when a eubstantial portion of the output moves into consumption through drug wholesalers.

Classifications by the Census of Manufactures.--The drug industry is broken into several claeses by the Census of Manufactures*, the main one being "Patented Medicines and Druggists Preparations". Here are included manufacturing plante engaged primarily in producing medicines and compounds either for men or animale, eold under the protection of patents, copyrights, or trade marks, or prepared according to secret formulas, including medicines of proprietary character, not necessarily patented; and compounds or products handled by the pharmaceutical trade not sold under trade marks or proprietary labele such as serums, vaccines, and toxins; capsules (filled or empty), tablets, pills, tinctures, medicinal plasters, cough sirups, ointments, etc. This industry is one of the major sources of merchandise for drug wholesalers as shown in Table 1.

Other manufacturing industries, a large share of whose output goes to drug wholesalere, are the perfume, cosmetics, etc., the drug grinding and the essential oils industry. Thirteen additional induetries are included in Table 1, under the heading "Allied Products." Upon superficial examination, certain of these industries would appear to deserve inclusion under the first classification in Table 1. In the case of rubber goods, for example, the Census of Manufactures includes rubber belting and hose, rubberized fabrics and cloth, rubber brushes, rubber bands, rubber mats, hard rubber goods, rubber heels and soles, etc., as well as rubber drug sundries. Even though all of the rubber drug sundries may be dietributed through drug wholesalers, so many other rubber products are included in the induetry classification that the rubber goods industry, as treated by the Census of Manufactures, must be placed in the secondary classification. Drug wholesalers handle various types of soap, particularly toilet eoap and shaving preparatione. The Census of Manufactures, however, includes hard, soft, cake, bar, powdered, liquid, and other soaps and shaving cream under one classification, thus forcing this industry also to be a secondary source of merchandise for drug wholesalers. Cigarettes, although sold by almost all retail drug stores, account for only a small share of the drug wholesale business and are marketed mainly through other channels. For each of the industries listed under "allied products" and for a number of additional ones, the problem is one of manufacturing plants fabricating a variety of items which pass through no one kind of wholesale bueinese but through several. With these qualifications, Table 2 indicates the methode of distribution by which such manufacturing plants sell their output.

Manufacturers' Sales of Drug Merchandise.--The Cenaue of Manufactures is interested in the production of merchandise during a given year, regardless of whether the goods are sold during the year in which they are manufactured. In a study of marketing and distribution, however, sales are more important than production; therefore the figures in Table 1 have been taken from Distribution of Manufacturere' Sales: 1935 (Census of Bueiness) rather than from the Census of Manufactures. In Table 1, it ie found that the 1,034 plants in the patent medicines and druggist preparations industry sold merchandise whose value was $292,681,000. When the essential oils ($4,931,000), the perfumes, cosmetice, etc., ($117,520,000) and the

* "Industry Classification for the Census of Manufactures: 1935."

drug grinding ($6,269,000) industries are added, the total becomes $421,401,000. The merchandise listed in these four industries moves in large volume through the wholesale drug trade. The manufacturing plants producing allied products in 13 industries sold merchandise in 1935 with a f.o.b. value of $2,302,242,000. This total is almost six times that of the sales of the industries classified as drug. It is unfortunate that, in analyzing the distribution of manufacturers' sales, only a small proportion of the total sales of many allied industries goes to drug wholesalers.

TABLE 1.--SALES BY MANUFACTURERS OF DRUG AND SELECTED ALLIED PRODUCTS IN THE UNITED STATES: 1935.

(selected industry classifications only)

Industry	Number of plants	Reported sales	Percent of total sales
Total of industries shown	5,455	$2,723,643,000	100.0
Drug Products			
Oils, essential	13	4,931,000	.2
Patent medicines & druggists' preparations	1,034	292,681,000	10.7
Perfumes, cosmetics, etc.	558	117,520,000	4.3
Drug grinding	19	6,269,000	.2
Allied Products			
Oils, not elsewhere classified	102	45,463,000	1.7
Soap	232	238,063,000	8.7
Confectionery	1,293	269,484,000	9.9
Liquors, distilled	119	148,334,000	5.4
Liquors, vinous	264	31,847,000	1.2
Liquors, rectified and blended	230	213,083,000	7.8
Rubber goods	413	180,118,000	6.6
Cigars	739	229,204,000	8.4
Cigarettes	28	806,003,000	29.7
Pens	52	18,539,000	.7
Pipes (tobacco)	29	6,156,000	.2
Surgical & orthopedic appliances	304	67,365,000	2.5
Chewing gum	26	48,583,000	1.8

Primary Channels of Distribution Used by Manufacturers.--Of the 1,034 plants with reported sales of $292,681,000 in the patent medicine and druggist preparations industry shown in Table 1, reports covering the distribution of sales were received from 1,008 plants, as shown in Table 2, and their distributed sales amounted to $273,685,000. This figure differs from the total shown in Table 1 by $18,996,000, which is composed of the sales of 18 plants not reporting a distribution of sales, interplant transfers (used exclusively by 8 plants) and sales not allocated to usual channels of the 1,008 plants reporting their channels of distribution. Similar differences appear for the other industries shown in Table 2.

Two-fifths (39.0%) of the distributed sales of the 1,008 patent medicines and druggists preparation plants went to wholesalers and this was the most important type of outlet for the industry. An additional one-fourth (27.0%) was disposed of through own wholesale branches, while sales to retailers, including chains, accounted for 25.3% of distributed sales. Sales to industrial and institutional users (5.9%), sales to household consumers (2.2%), and sales to own retail stores (.6%) were relatively unimportant. One-sixteenth (6.5%) was negotiated through agents and commission houses. In the case of perfumes and cosmetics the distribution was very comparable except that sales to own wholesale branches was much smaller (8.5%) and sales to retailers including chains rose to two-fifths (41.8%). In the case of essential oils (79.8%) and drug grinding (89.4%), sales to industrial users dominated with almost all of the remaining sales going to wholesalers. Examining these 4 industries as a unit, it is found that sales to wholesalers were the most important single outlet for the drug manufacturing industries, although direct sales to retailers (including chains) were of substantial importance, being followed in turn by sales to own wholesale branches and to industrial users. Sales to household consumers and to own retail stores were relatively unimportant.

The distribution of sales for the 13 allied products is given in detail in the second part of Table 2.

Frequency Use of Channels

Of the 1,008 manufacturing plants in the patent medicines and druggists preparations industry, 700, over two-thirds, sold to wholesalers and 282 of these sold exclusively through this channel. Almost one-half of the plants (487) sold direct to retailers, including chains, while 118 of them used this channel exclusively. About one-sixth of the plants sold to industrial and other large users (159) and to household consumers (156). Only 29 plants sold to their own retail stores and but 64 to owned wholesale branches. Comparisons with the figures for 1929 indicate that a larger share of the plants sold direct to retailers, including chains, in 1935 than was true in 1929, and that selling to wholesalers also increased somewhat in popularity. In the perfume and cosmetics industry, the frequency with which each channel was used remained relatively unchanged. In the case of essential oils and drug grinding, about three-fourths

Data from Census of Business report for 1935 entitled "Distribution of Manufactures' Sales."

TABLE 2 - DISTRIBUTION OF SALES FROM MANUFACTURING PLANTS PRODUCING DRUG AND SELECTED ALLIED PRODUCTS: 1935

(all values are expressed in thousands of dollars)

Industry	Number of Plants	Total distributed sales for industry in 1935	Distribution of Manufacturers' Sales												Sales negotiated through agents and brokers % of total
			To own wholesale branches		To industrial users		To wholesalers and jobbers		To own retail stores		To retailers including chains		To household consumers		
			Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	
Total	5,333	$2,623,158	$509,546	19.4	$193,784	7.4	$1,530,303	58.3	$25,685	1.0	$336,046	12.8	$27,794	1.1	--
Drug Products															
Oils, essential	13	4,931	--	--	3,937	79.8	994	20.2	--	--	1/ --	--	--	--	--
Patent medicines and druggists' prep.	1,008	273,685	73,826	27.0	16,212	5.9	106,828	39.0	1,535	.6	69,206	25.3	6,078	2.2	6.5
Perfumes, cosmetics, etc.	543	109,451	9,349	8.5	1,893	1.7	44,158	40.4	1,910	1.7	45,719	41.8	6,422	5.9	4.0
Drug grinding	19	6,269	3/ --	--	5,604	89.4	629	10.0	--	--	36	.6	--	--	6.4
Allied Products															
Oils, not elsewhere classified	102	41,685	6,739	16.2	21,505	51.5	11,062	26.5	2/ --	--	2,274	5.5	105	.3	40.7
Soap	232	232,685	179,030	76.9	15,139	6.5	20,608	8.9	--	--	17,087	7.3	821	.4	4.5
Confectionery	1,275	264,422	10,312	3.9	3,133	1.2	145,699	55.1	20,462	7.7	77,373	29.3	7,443	2.8	10.4
Liquors, distilled	110	133,076	68,455	51.4	20,493	15.4	40,703	30.6	--	--	3,355	2.5	70	.1	8.9
Liquors, vinous	252	30,411	5,441	17.9	1,069	3.5	18,117	59.6	211	.7	5,183	17.0	390	1.3	20.2
Liquors, rectified and blended	221	207,025	86,736	41.9	12,829	6.2	83,094	40.2	58	--	24,218	11.7	90	--	10.1
Rubber goods	397	161,875	31,842	19.7	72,347	44.7	43,247	26.7	290	.2	13,973	8.6	176	.1	6.9
Cigars	722	219,734	34,317	15.6	3,425	1.6	151,691	69.0	341	.2	28,842	13.1	1,118	.5	2.4
Cigarettes	28	801,714	4/ --	--	1,031	.1	780,753	97.4	--	--	19,838	2.5	92	--	--
Pens	52	17,919	4/ --	--	1,092	6.1	7,043	39.3	2/ --	--	9,784	54.6	--	--	5.0
Pipes, tobacco	29	6,156	--	--	--	--	4,189	68.0	--	--	1,967	32.0	--	--	--
Surgical and orthopedic appliances	304	64,150	3,499	5.5	14,075	21.9	27,170	42.3	878	1.4	13,539	21.1	4,989	7.8	1.9
Chewing gum	26	47,970	4/ --	--	--	--	44,318	92.4	--	--	3,552	7.6	--	--	5.6

1/ Sales to retailers combined with wholesalers and jobbers to avoid disclosure.

2/ Sales to own wholesale branches, transfers to other plants in same organizations and sales not allocated to usual channels all combined with sales to industrial users.

3/ Sales to own wholesale branches combined with sales to wholesalers and jobbers.

4/ Sales to own retail stores combined with sales to retailers to avoid disclosure.

Data from Census of Business report for 1935 entitled "Distribution of Manufactures' Sales."

TABLE 3 - FREQUENCY OF USE OF CHANNELS OF DISTRIBUTION BY MANUFACTURERS OF DRUG AND SELECTED ALLIED PRODUCTS.

Industry	Number of plants reporting distribution of sales		Number of Plants Using Various Channels of Distribution																					
			To own wholesale branches				Direct to industrial and other large users				To wholesalers and jobbers				To own retail stores				To retailers including chains				Direct to household consumers			
			1935		1929		1935		1929		1935		1929		1935		1929		1935		1929		1935		1929	
	1935	1929	Total	Exc.	Total	Exc.	Total	Exc.	Total	Exc.	Total	Exc.	Total	Exc.	Total	Exc.	Total	Exc.	Total	Exc.	Total	Exc.	Total	Exc.	Total	Exc.
Total	5,333	5,917	320	119	417	112	879	190	760	217	3,085	1,186	3,155	1,213	380	185	589	238	2,544	761	2,765	925	808	241	1,108	432
Drug Products																										
Oils, essential	13	NA	--	--	NA	NA	10	NA	NA	NA	7	NA	NA	NA	--	--	NA	NA	--	--	NA	NA	--	--	NA	NA
Patent medicines and druggists' prep.	1,008	1,037	64	26	72	21	159	42	252	95	700	282	674	283	29	8	41	14	487	118	422	96	156	55	199	83
Perfumes, cosmetics, etc.	543	815	33	19	50	18	40	23	58	12	334	172	490	170	15	8	40	7	273	117	454	153	58	18	202	47
Drug grinding	19	NA	--	--	NA	NA	15	NA	NA	NA	7	NA	NA	NA	--	--	NA	NA	4	NA	NA	NA	--	--	NA	NA
Allied Products																										
Oils, not elsewhere classified	102	NA	6	NA	NA	NA	63	NA	NA	NA	38	NA	NA	NA	--	--	NA	NA	25	NA	NA	NA	11	NA	NA	NA
Soap	232	NA	34	NA	NA	NA	124	NA	NA	NA	138	NA	NA	NA	--	--	NA	NA	83	NA	NA	NA	22	NA	NA	NA
Confectionery	1,275	2,021	45	19	132	30	48	--	151	--	644	227	922	281	247	154	417	184	694	209	961	289	244	136	405	182
Liquors, distilled	110	NA	21	15	NA	NA	23	7	NA	NA	75	44	NA	NA	--	--	NA	NA	23	7	NA	NA	3	--	NA	NA
Liquors, vinous	252	NA	20	9	NA	NA	29	8	NA	NA	154	75	NA	NA	17	5	NA	NA	126	44	NA	NA	52	8	NA	NA
Liquors, rectified and blended	221	NA	32	17	NA	NA	23	11	NA	NA	145	72	NA	NA	4	--	NA	NA	106	33	NA	NA	9	2	NA	NA
Rubber goods	397	408	21	6	37	15	214	89	190	76	238	90	257	118	5	1	11	4	139	27	121	22	18	1	23	6
Cigars	722	1,587	39	8	126	28	35	10	95	28	419	215	774	337	41	9	80	29	417	204	792	360	81	21	279	114
Cigarettes	28	49	--	--	--	--	4	--	14	6	28	9	38	24	--	--	--	--	15	2	15	5	7	--	--	--
Pens	52	NA	--	--	NA	NA	18	NA	NA	NA	31	NA	NA	NA	--	--	NA	NA	28	NA	NA	NA	--	--	NA	NA
Pipes (tobacco)	29	NA	--	--	NA	NA	--	--	NA	NA	24	NA	NA	NA	--	--	NA	NA	18	NA	NA	NA	--	--	NA	NA
Surgical and orthopedic appliances	304	NA	5	--	NA	NA	74	NA	NA	NA	82	NA	NA	NA	22	NA	NA	NA	99	NA	NA	NA	147	NA	NA	NA
Chewing gum	26	NA	--	--	NA	NA	--	--	NA	NA	21	NA	NA	NA	--	--	NA	NA	7	NA	NA	NA	--	--	NA	NA

N A means comparable information for 1929 not available "Exc." shows the number of plants using the one indicated channel of distribution exclusively.

of the plants sold to industrial users and just under half of them sold to wholesalers. The frequency of use and exclusive use of certain types of distributors is significant when taken into account with the distribution of sales shown in Table 2. Similar detailed information is given for the allied industries, although any analysis of the information for the allied industries must be heavily qualified by the fact that only a small proportion of their total output enters the drug trade.

Comparison of Manufacturers' and Wholesale Sales

Total sales of drug wholesalers for 1935 amounted to $612,884,000. In comparing these wholesale sales with those reported by manufacturing plants, several adjustments have to be made. Sales negotiated by agents and commission houses, in the first place, cause a difference. If a manufacturing plant sold merchandise to industrial users through the use of a manufacturer's agent, this was noted in Table 2 as a sale to an industrial user. In the Wholesale Census, this sale is credited to agents and brokers. Thus, all sales of agents and brokers (Table 5) must be deducted from the wholesale figures to make them comparable with those of Table 2. When one wholesaler sells to another, in the second place, the same merchandise appears in the wholesale figures twice. This duplication of wholesale sales is measured in Table 22. In addition, manufacturers' sales prices are quoted f.o.b. factory; therefore the wholesale sales figures on the same merchandise would be greater by the amount of the freight, wholesale cost, and profits realized by wholesale establishments. Of these three charges, information is available only for the expenses of wholesale establishments. When the total sales, for purposes of comparison, are deflated by the three deductions which have been indicated, the total drops from $612,884,000 to $427,780,000. Taking the drug industries as listed in Table 2, it is found that sales to own wholesale branches and to wholesalers totaled $235,784,000. Undoubtedly, some of this amount went to wholesalers whose business was not predominately in the drug field. This is small (see Table 24 and 25) but an allowance should be made for it. Similarly, drug wholesalers sold some non-drug merchandise. The difference remaining between $235,784,000 and the further adjusted wholesale figures of $406,034,000 amounts to $170,250,000. This figure represents, in general (except soap), the amount of merchandise which drug wholesalers purchased from the allied industries listed in Table 1 and 2 and is but a small share of the total sales of these industries to wholesalers and to wholesale branches. It should also be indicated at this point that some drug wholesalers do a portion of their business in preparations which are made in their own establishments and marketed under their own trade names. It is not known how substantial this type of business is although it is important for some full-line houses. When these factors are considered, the sales of manufacturing plants and of wholesalers in the drug field are consistent and complementary. It is emphasized that no deduction or conclusion drawn from the figures herein presented can be accurate which attempts to measure the operating profit or gross margin of wholesalers. The Census Bureau definitely does not report nor request data on cost of goods nor net profits.

SUMMARY OF THE WHOLESALE DRUG TRADE.

The wholesale drug trade includes all wholesalers who did more than 50 percent of their 1935 business in drug merchandise. Establishments which did some retailing were also included when the retail activities amounted to less than half the total business transacted. In the case of multi-unit organizations, each selling establishment has been counted separately, although administrative offices of ownership groups and other non-selling units were not included. With these limitations, the wholesale drug trade is summarized in Table 4.

During 1935 drug wholesalers had 2,004 establishments with sales of $612,884,000. The total operating expenses of these establishments, including pay roll, were $105,020,000 or 17.1 percent of their net sales. An average of 31,298 persons was given full-time and part-time employment and received compensation amounting to $50,553,000. In addition, 952 proprietors or firm members of unincorporated concerns actively participated in the business of their houses, although their compensation has not been included in the pay roll nor their number in the count of employees. These wholesalers had stocks on hand (at cost) on December 31, 1935, to the extent of $80,672,000.

TABLE 4.--SUMMARY OF THE WHOLESALE DRUG TRADE: 1935

Number of establishments	2,004
Net sales	$612,884,000
Active proprietors	952
Total employees (full-time and part-time)	31,298
Total pay roll	$50,553,000
Total expenses (including pay roll)	$105,020,000
Stocks on hand (at cost), end of year	$80,672,000

Summary by Types of Operation.--The 2,004 establishments in the drug trade consisted of 1,563 full-service and limited-function wholesalers, 270 manufacturers' sales branches, 31 manufacturers' sales offices, and 140 agents and brokers.

The 1,563 full-service and limited-function wholesalers had sales of $447,582,000 and accounted for almost three-quarters (73.0%) of the sales of all drug establishments. Within this major classification are found wholesale merchants, voluntary-group wholesalers, exporters, importers, mail-order wholesalers, retailer-cooperative warehouses and wagon distributors. The predominant type, however, was the wholesale merchant, accounting for 91.0 percent of the establishments and 91.7 percent of sales. As the wholesale merchant coincides with what the trade and public call "wholesalers" or "jobbers", it is conclusive that, in the drug trade, the broader Census classification of full-service and limited-function wholesaler is substantially in accord with the trade term of "wholesaler" or "jobber". The cooperative groups, often referred to as mutuals, are the most important sub-type with 33 establishments doing $27,727,000 worth of business or 6.2 percent of the total. Exporters, importers, mail-order wholesalers and wagon distributors combined account for only 6.8 percent of the establishments and 2.1 percent of total sales. Mail-order wholesalers and wagon distributors are of particular interest because their costs (mail-order wholesalers, 19.5% and wagon distributors, 27.9%) exceed those of wholesale merchants (15.1%). An examination of the cost figures for each detailed type under the full-service and limited-function wholesaler classification shows clearly that the wholesale merchant is the lowest cost operator, except for the voluntary groups which offer fewer services to their customers.

Manufacturers' sales branches (with stocks) refer to establishments maintained by manufacturers separate from their plants for the sale and delivery of their products. The 270 manufacturers' sales branches had sales of $128,468,000 or 21.0 percent of the total for all establishments, and costs equal to 26.5 percent of sales. Manufacturers' sales offices (without stocks) differ from manufacturers' sales branches mainly in the fact that, although some stocks may be carried for inspection, they are not equipped to deliver merchandise, but have it shipped direct to the customer from the factory. This group consisted of 31 establishments with sales of $9,940,000 or 1.6 percent of the total for the drug trade, and had operating expenses amounting to 21.5 percent of sales.

In the general classification of agents and brokers, manufacturers' agents were the most important single group, although selling agents and brokers also had considerable business. The entire agents and brokers classification accounted for $26,894,000 of sales or only 4.4 percent of the drug trade total. Costs for the whole group were 6.9 percent of sales, a ratio considerably lower than that for any other major group. Agents and brokers seldom take title to the merchandise which they sell, rarely have stocks on hand for delivery, usually do not have the power of granting credit without their clients approval and, in numerous other ways, perform fewer functions than do the other three types. As a result, the lower costs of agents and brokers are mainly due to differences in the functions performed. Further details about each of these types of operation is given in Table 5 which shows number of establishments, net sales, operating expenses, active proprietors, employees, pay roll, stocks on hand and the amount of such stocks which are held on consignment.

In the second part of Table 5, the drug trade is divided into full-line and specialty line houses. It is of particular interest to note that the full-line business is entirely in the hands of full-service and limited-function wholesalers. Wholesale merchants account for over nine-tenths (91.9%) of the full-line business and the remainder is handled by cooperative wholesalers. Thus, in the case of full-line drug wholesalers, it is apparent that the census classification of full-service and limited-function wholesaler is practically identical with the trade concept of "wholesaler" and "jobber".

In the case of drug specialty lines, full-service and limited-function wholesalers, (42.8%) and manufacturers' sales branches (44.5%) together do approximately nine-tenths (87.3%) of the business. Of the remainder, agents and brokers do 9.3 percent and manufacturers' sales offices 3.4 percent. As the distinction between full-line and specialty line houses in the various types of operation cannot be maintained in all of the tables which follow, the type of merchandise handled and other peculiarities of each classification should be kept in mind.

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TABLE 5.--SUMMARY OF THE WHOLESALE DRUG TRADE BY DETAILED TYPES OF OPERATION

Number of Establishments, Net Sales, Operating Expenses, Proprietors, Employees, Pay Roll and Stocks.

(all values are expressed in thousands of dollars)

Type of Operation	Number of establishments	Net sales	Operating expenses		Active proprietors	Employees (full-time and part-time). Avg. for year	Pay Roll % to Sales	Stocks on hand, end of year		
			Total	% to Sales				Total	% to Sales	Held on consignment
United States Total	2,004	$612,884	$105,020	17.1	952	31,298	8.2	$80,672	13.2	$2,142
A - ALL WHOLESALERS										
Full-service and limited-function wholesalers	1,563	447,582	67,034	15.0	810	23,087	7.8	68,554	15.3	1,906
Wholesale merchants	1,423	410,597	62,130	15.1	751	21,272	7.9	63,305	15.4	1,886
Voluntary-group wholesalers	2									
Retailer-cooperative warehouses	31	27,727	2,684	9.7	--	1,183	5.3	4,105	14.8	20
Exporters	15	717	245	34.2	8	76	21.9	170	23.7	--
Importers	47	5,692	1,405	24.7	18	315	11.8	777	13.7	--
Mail-order wholesalers	31	2,677	522	19.5	24	216	8.6	184	6.9	--
Wagon distributors	14	172	48	27.9	9	25	18.0	13	7.6	--
Manufacturers' sales branches	270	128,468	33,997	26.5	11	7,050	10.6	11,924	9.3	73
Manufacturers' sales offices	31	9,940	2,135	21.5	8	518	10.3	--	--	--
Agents and brokers	140	26,894	1,854	6.9	123	643	4.0	194	.7	163
Brokers	9	4,878	92	1.9	9	21	1.1	--	--	--
Commission merchants	7	1,100	132	12.0	5	26	5.4	9	.8	--
Export agents	6	392	21	5.4	8	11	3.3	--	--	--
Import agents	8	2,118	194	9.2	5	44	5.9	1	--	--
Manufacturers' agents	92	10,755	672	6.2	91	269	3.5	177	1.6	163
Selling agents	15	6,256	700	11.2	3	262	6.6	--	--	--
Other agents	3	1,395	43	3.1	2	10	2.3	7	.5	--
B - FULL-LINE										
Full-service and limited-function wholesalers	295	324,113	41,274	12.7	36	15,077	6.9	55,348	17.1	1,768
Wholesale merchants	274	297,784	38,825	13.0	36	13,984	7.1	51,498	17.3	1,748
Voluntary-group wholesalers	2									
Retailer-cooperative warehouses	19	26,329	2,449	9.3	--	1,093	5.2	3,850	14.6	20
C - SPECIALITY LINES										
Total	1,709	288,771	63,746	22.1	916	16,221	9.7	25,324	8.8	374
Full-service and limited-function wholesalers	1,268	123,469	25,760	20.9	774	8,010	10.1	13,206	10.7	138
Wholesale merchants	1,149	112,813	23,305	20.7	715	7,288	9.9	11,807	10.5	135
Exporters	15	717	245	34.2	8	76	21.9	170	23.7	3
Importers	47	5,692	1,405	24.7	18	315	11.8	777	13.7	--
Mail-order wholesalers	31	2,677	522	19.5	24	216	8.6	184	6.9	--
Retailer-cooperative warehouses	12	1,398	235	16.8	--	90	7.7	255	18.2	--
Wagon distributors	14	172	48	27.9	9	25	18.0	13	7.6	--
Manufacturers' sales branches	270	128,468	33,997	26.5	11	7,050	10.6	11,924	9.3	73
Manufacturers' sales offices	31	9,940	2,135	21.5	8	518	10.3	--	--	--
Agents and brokers	140	26,894	1,854	6.9	123	643	4.0	194	.7	163
Brokers	9	4,878	92	1.9	9	21	1.1	--	--	--
Commission merchants	7	1,100	132	12.0	5	26	5.4	9	.8	--
Export agents	6	392	21	5.4	8	11	3.3	--	--	--
Import agents	8	2,118	194	9.2	5	44	5.9	1	--	--
Manufacturers' agents	92	10,755	672	6.2	91	269	3.5	177	1.6	163
Selling agents	15	6,256	700	11.2	3	262	6.6	--	--	--
Other agents	3	1,395	43	3.1	2	10	2.3	7	.5	--

X - Figures withheld to avoid disclosure of individual operations.

SUMMARY BY KIND OF BUSINESS.--To picture the drug trade by the major lines of merchandise handled, a brief summary by kind of business has been included in Table 6. Full-service and limited-function wholesalers are the only type which handle a full-line of drug merchandise and do about one-half (52.9%) of the total drug business. In the specialty drug field, all types of operation appear in each of the four subdivisions. In the case of drug specialties, manufacturers' sales branches dominate with sales of $73,163,000 as compared with sales of $29,554,000 for full-service and limited-function wholesalers who ranked second in this kind of business. Similarly, manufacturers' sales branches and full-service and limited-function wholesalers together did nine-tenths of the patent medicine specialty field, while full-service and limited-function wholesalers controlled largely the toilet articles and preparations and "all other" specialty fields. This detailed kind-of-business information can be shown in only a few of the tables which follow, but, with the data in Table 6, it is possible, in most cases, to interpret the figures satisfactorily.

TABLE 6.--SUMMARY BY DETAILED KINDS OF BUSINESS AND TYPES OF OPERATION

(all values are expressed in thousands of dollars)

Kind of business	Full-service and limited-function wholesalers		Manufacturers' sales branches		Manufacturers' sales offices		Agents and brokers	
	Number of establishments	Net sales	Number of establishments	Net sales	Number of establishments	Net sales	Number of establishments	Net sales
United States Total	1,563	$447,582	270	$128,468	31	$9,940	140	$26,894
Drugs (full-line)	295	324,113	--	--	--	--	--	--
Drugs and drug sundries (specialty lines)	1,268	123,469	270	128,468	31	9,940	140	26,894
Drug specialties	342	29,554	115	73,163	6	3,435	38	10,365
Patent medicines	215	21,995	38	23,391	1	x	21	3,863
Toilet articles and preparations	426	40,671	99	27,153	22	6,019	59	6,948
All other	285	31,249	18	4,761	2	x	22	5,718

Geographical Location of the Drug Trade

The Census Bureau has listed drug establishments in the cities or other political units in which their places of business are found. If an establishment is located in St. Louis and sells merchandise to buyers in every State, its sales are credited entirely to St. Louis. To allocate the sales of every wholesaler to the territory in which the buyer resides would have required the detailed analysis of the books of every wholesale establishment. This was impossible; therefore the total sales of each wholesaler have necessarily been credited to that area in which his place of business is located. Turning to Table 7, the wholesale drug trade of the country is pictured upon a State and geographic division basis. In this table no total has been given for all types of operation because of the known duplication, i. e., sales from one wholesaler to another. Under "net sales" for each type of operation in Table 6, there is a column "percent sold to other wholesalers". Turning to Table 23, it is found that the percentages listed in this column have not been calculated for each establishment appearing in Tables 6 and 7 because some of these were unable to supply the necessary information. The sample available for analysis in Table 23 represents, however, over four-fifths (85.1%) of total sales. For the country, sales of full-service and limited-function wholesalers were $447,582,000 but, under the heading "percent sold to other wholesalers", the figure 5.7 percent appears. This means that 5.7 percent or $25,512,000 of total sales of full-service and limited-function wholesalers went to other wholesalers and should be deleted from total sales in determining the amount of drug merchandise passing through wholesale channels.

Although drug establishments appear in 46 of the 48 States and the District of Columbia, the wholesale drug trade is rather highly concentrated. The Middle Atlantic (25.0%), the East North Central (19.6%) and the Pacific (12.5%) divisions account for three-fifths (57.1%) of the total business of full-service and limited-function wholesalers. The same divisions account for almost four-fifths (79.4%) of the business of manufacturers' sales branches and all (99.9%) of the business for sales offices, as well as 93.6 percent of the business of agents and brokers.

Not only are the sales concentrated in certain areas of the country, but they are also centered in the largest cities. In Table 8, for example, it is shown that the leading 25 wholesale centers accounted for three-fifths (61.0%) of the total business for full-service and limited-function wholesalers, while the proportion of the total business done in these cities by the other three types of operation was even larger. Drug wholesaling, therefore, tends to concentrate in the larger cities of the more populous areas of the country.

An examination of the areas which drug wholesalers serve is shown in Table 26. When these marketing radius figures are considered in conjunction with the concentration of the drug trade, a manufacturer may determine how comprehensive distribution may be obtained for his products by selling in a small selected number of cities and States. Tables 7 and 8 allocate the drug trade by various types of wholesalers and this detailed information is basic data which can be put to excellent use in building sales potentials, sales quotas, and also in determining the desirability of expanding a sales territory. For the convenience of the user, the rank in population of each city and area as well as its rank in drug sales has been listed. These figures are of significant value in delineating and comparing market areas.

Census of Business: 1935

TABLE 7 - DRUG TRADE BY GEOGRAPHIC DIVISIONS AND STATES: 1935

(all values are expressed in thousands of dollars)

State	Full-service and limited-function wholesalers						Manufacturers' sales branches			Manufacturers' sales offices			Agents and brokers		
		Net sales			Rank in			Net sales			Net sales			Net sales	
	Number	Amount	% of total	% sold to other wholesalers	Net sales	Population in 1930	Number	Amount	% sold to other wholesalers	Number	Amount	% sold to other wholesalers	Number	Amount	% sold to other wholesalers
United States Total	1,563	$447,582	100.0	5.7			270	$128,468	29.8	31	$9,940	26.4	140	$26,894	37.9
New England	76	x	x	3.0	7	8	16	1,944	14.1	--	--	--	3	51	--
Connecticut	20	6,464	1.4	.1	20	29	3	x	24.2	--	--	--	--	--	--
Maine	6	1,064	.2	8.5	42	35	--	--	--	--	--	--	--	--	--
Massachusetts	37	16,971	3.8	3.6	7	8	12	1,857	13.8	--	--	--	3	51	--
New Hampshire	4	400	.1	25.0	44	42	--	--	--	--	--	--	--	--	--
Rhode Island	7	2,953	.7	--	34	37	1	x	--	--	--	--	--	--	--
Vermont	2	x	x	--	43	46	--	--	--	--	--	--	--	--	--
Middle Atlantic	536	112,048	25.0	9.9	1	1	93	71,572	31.4	16	x	33.4	64	17,818	31.7
New Jersey	30	8,219	1.8	9.9	14	9	11	4,888	1.6	1	x	--	--	--	--
New York	434	83,546	18.7	31.4	1	1	69	64,280	33.8	13	4,903	37.2	58	16,994	28.1
Pennsylvania	72	20,283	4.5	1.9	6	2	13	2,404	9.5	2	x	--	6	824	17.5
East North Central	299	87,915	19.6	5.3	2	2	52	21,232	25.2	8	x	18.7	21	x	49.1
Illinois	118	42,002	9.4	9.4	3	3	24	16,766	31.0	5	506	46.0	16	2,640	47.9
Indiana	26	9,903	2.2	1.1	10	11	4	782	35.7	--	--	--	1	x	--
Michigan	42	9,267	2.0	2.9	12	7	7	2,400	.7	2	x	15.7	3	119	69.7
Ohio	92	20,586	4.6	1.4	5	4	17	1,284	2.3	1	x	--	1	x	--
Wisconsin	21	6,157	1.4	1.5	21	13	--	--	--	--	--	--	--	--	--
West North Central	123	x	x	3.7	4	4	26	x	32.4	--	--	--	11	474	58.4
Iowa	18	5,636	1.2	3.6	22	19	1	x	--	--	--	--	--	--	--
Kansas	11	4,394	1.0	.1	26	24	1	x	100.0	--	--	--	2	x	--
Minnesota	31	10,275	2.3	.9	9	18	5	651	20.4	--	--	--	5	143	96.7
Missouri	50	24,908	5.6	6.3	4	10	18	8,733	33.0	--	--	--	3	286	11.8
Nebraska	9	4,308	1.0	1.3	28	32	1	x	--	--	--	--	1	x	--
North Dakota	1	x	--	--	45	38	--	--	--	--	--	--	--	--	--
South Dakota	3	1,317	.3	1.7	41	36	--	--	--	--	--	--	--	--	--
South Atlantic	151	48,648	10.9	2.4	5	3	18	5,147	44.6	1	x	--	5	43	33.3
Delaware	3	8,188	1.8	--	17	47	1	x	--	--	--	--	--	--	--
District of Columbia	6	2,580	.6	--	37	41	3	x	--	--	--	--	2	x	37.5
Florida	24	8,209	1.8	1.0	15	31	--	--	--	--	--	--	--	--	--
Georgia	34	9,622	2.2	7.5	11	14	6	1,733	28.1	--	--	--	1	x	--
Maryland	26	4,962	1.1	2.4	25	28	5	1,885	36.5	--	--	--	1	x	--
North Carolina	21	5,056	1.1	.3	24	12	--	--	--	--	--	--	--	--	--
South Carolina	9	3,143	.7	.5	33	26	--	--	--	--	--	--	--	--	--
Virginia	15	3,965	.9	1.9	29	20	2	x	32.3	1	x	--	1	x	--
West Virginia	13	2,923	.7	.4	35	27	1	x	68.2	--	--	--	--	--	--
East South Central	74	19,290	4.3	3.2	8	6	9	x	10.0	--	--	--	2	x	100.0
Alabama	14	5,418	1.2	.7	23	15	1	x	--	--	--	--	--	--	--
Kentucky	18	3,301	.7	1.5	32	17	1	x	--	--	--	--	--	--	--
Mississippi	8	1,736	.4	.3	39	23	--	--	--	--	--	--	--	--	--
Tennessee	34	8,835	2.0	5.5	13	16	7	4,756	10.1	--	--	--	2	x	100.0
West South Central	98	30,836	6.9	5.1	6	5	16	4,954	45.8	--	--	--	4	x	2.1
Arkansas	15	3,858	.9	.9	30	25	--	--	--	--	--	--	--	--	--
Louisiana	15	7,194	1.6	1.1	18	22	5	2,788	81.2	--	--	--	1	x	15.8
Oklahoma	16	3,307	.7	1.9	31	21	--	--	--	--	--	--	--	--	--
Texas	52	16,477	3.7	8.0	8	5	11	2,166	14.5	--	--	--	3	122	--
Mountain	33	x	x	.5	9	9	4	174	--	--	--	--	--	--	--
Arizona	4	1,865	.4	.5	38	44	--	--	--	--	--	--	--	--	--
Colorado	17	7,154	1.6	.4	19	33	3	x	--	--	--	--	--	--	--
Idaho	--	--	--	--	48	43	--	--	--	--	--	--	--	--	--
Montana	4	1,663	.4	.1	40	39	--	--	--	--	--	--	--	--	--
Nevada	--	--	--	--	49	49	--	--	--	--	--	--	--	--	--
New Mexico	--	--	--	--	46	45	--	--	--	--	--	--	--	--	--
Utah	7	2,727	.6	1.0	36	40	1	x	--	--	--	--	--	--	--
Wyoming	1	x	--	--	47	48	--	--	--	--	--	--	--	--	--
Pacific	173	55,989	12.5	4.7	3	7	36	x	26.1	6	x	12.2	30	x	34.9
California	143	43,413	9.7	5.9	2	6	30	8,043	27.3	5	452	2.4	29	4,594	34.9
Oregon	11	4,372	1.0	--	27	34	1	x	--	--	--	--	--	--	--
Washington	19	8,204	1.8	31.5	16	30	5	1,153	18.0	1	x	57.7	1	x	37.5

X - Withheld to avoid disclosure of individual operations.

Census of Business: 1935

TABLE 8.--LEADING 25 WHOLESALE DRUG TRADE CENTERS: 1935

(all values are expressed in thousands of dollars)

City	Rank in Population 1930	Full-service and limited-function wholesalers					Manufacturers' sales branches					Manufacturers' sales offices					Agents and brokers				
		No.	Net sales				No.	Net sales				No.	Net sales				No.	Net sales			
			Amount	% to U. S. total	% to other wholesalers	Rank		Amount	% to U. S. total	% to other wholesalers	Rank		Amount	% to U. S. total	% to other wholesalers	Rank		Amount	% to U. S. total	% to other wholesalers	Rank
Total, 25 Cities		987	$273,064	61.0	NA		210	$115,133	89.6	NA		28	$6,783	68.2	NA		119	$24,549	91.3	NA	
Atlanta	23	20	6,036	1.3	NA	11	6	1,733	1.3	NA	10	--	--	--	--	--	1	x	x	NA	15
Baltimore	8	25	x	x	1.4	19	5	1,885	1.5	12.5	8	--	--	--	--	--	1	x	x	--	12
Boston	9	24	14,461	3.2	1.7	5	8	1,771	1.4	9.8	9	--	--	--	--	--	3	51	.2	--	9
Buffalo	14	7	5,542	1.2	4.1	13	4	468	.4	2.4	21	--	--	--	--	--	1	x	x	--	15
Chicago	2	106	32,849	7.3	9.1	2	21	x	x	20.7	2	5	506	5.1	46.0	3	16	2,640	9.8	33.3	2
Cincinnati	16	21	4,869	1.1	NA	20	3	x	x	NA	20	--	--	--	--	--	--	--	--	--	--
Cleveland	6	22	5,139	1.2	.6	17	6	657	.5	3.2	17	1	x	x	--	5	--	--	--	--	--
Dallas	24	13	5,518	1.2	NA	14	5	1,387	1.1	NA	13	--	--	--	--	--	1	x	x	NA	8
Denver	22	12	5,212	1.2	NA	15	3	x	x	NA	23	--	--	--	--	--	--	--	--	--	--
Detroit	4	35	6,204	1.4	3.9	10	7	2,400	1.8	.7	6	1	x	x	--	8	1	x	x	--	11
Houston	21	5	3,306	.7	NA	24	1	x	x	NA	22	--	--	--	--	--	--	--	--	--	--
Indianapolis	20	11	5,927	1.3	NA	12	3	x	x	NA	19	--	--	--	--	--	--	--	--	--	--
Kansas City	18	15	7,464	1.7	NA	9	10	6,780	5.3	NA	3	--	--	--	--	--	1	x	x	--	14
Los Angeles	5	72	22,691	5.1	8.3	3	10	x	x	15.1	14	2	x	x	5.1	6	17	x	x	21.8	4
Milwaukee	13	15	4,814	1.1	8.0	21	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Minneapolis & St. Paul	10	29	x	x	NA	8	4	x	x	NA	18	--	--	--	--	--	3	x	x	NA	7
Newark	17	13	5,207	1.2	NA	16	5	1,493	1.1	NA	12	1	x	x	NA	9	--	--	--	--	--
New Orleans	15	8	4,977	1.1	NA	18	5	2,788	2.2	NA	5	--	--	--	--	--	1	x	x	NA	10
New York City	1	406	66,531	14.9	13.8	1	61	62,918	49.0	29.3	1	13	4,903	49.3	37.2	1	54	16,969	63.1	21.0	1
Omaha	25	6	2,897	.6	NA	25	--	--	--	--	--	--	--	--	--	--	1	x	x	NA	15
Philadelphia	3	30	11,656	2.6	2.5	7	6	1,633	1.3	8.0	11	1	x	x	--	2	5	x	x	16.1	5
Pittsburgh	11	11	4,238	1.0	1.3	22	5	x	x	1.5	16	--	--	--	--	--	--	--	--	--	--
St. Louis	7	27	16,000	3.6	4.6	4	8	1,953	1.5	27.9	7	--	--	--	--	--	2	x	x	--	6
San Francisco	12	40	13,802	3.1	4.3	6	19	6,712	5.2	21.4	4	3	x	x	--	4	10	2,218	8.3	42.4	3
Seattle	19	14	4,216	.9	NA	23	5	1,153	.9	NA	15	1	x	x	--	7	1	x	x	NA	13

N A - not available. X - Information withheld to avoid disclosure of individual operations.

OPERATING EXPENSES

Operating expenses cover total pay roll and all other costs incurred in the operation of the business, such as administrative, selling, delivery, warehouse, occupancy and "other" expenses. The amount does not include charges to capital accounts, cost of goods sold, income taxes, etc. In the case of unincorporated businesses, no compensation is included for the services of proprietors and firm members. An examination of Table 5 shows that the operating expenses for the 2,004 drug wholesalers amounted to $105,020,000 or 17.1 percent of net sales. The ratio was 15.0 percent for full-service and limited-function wholesalers, 26.5 percent for manufacturers' sales branches, 21.5 percent for manufacturers' sales offices and 6.9 percent for agents and brokers. The variation in cost is largely due to differences in services offered, lines of merchandise handled, and size of annual business done by the average establishment. In Table 5, in addition, the operating expenses of each detailed type in the drug trade are shown.

Since full-service and limited-function wholesalers are the most important factor in the drug trade, the operating expenses for this type are shown in Table 9 by geographic divisions. For the country, those houses carrying a full-line of drug merchandise had much lower costs (12.7%) than the houses handling a more limited line of goods (20.9%). In this connection, it should be noted that the full-line establishments had an annual average volume of business exceeding one million dollars, while the specialty line houses averaged under $100,000 of business for 1935, a sales volume below that necessary for low cost operation (See Table 12). The variation in cost ratios between full-line and specialty line drug houses is thus caused, for the most part, by differences in merchandise handled and size of annual business.

TABLE 9.--OPERATING EXPENSES BY GEOGRAPHIC DIVISIONS
FULL-SERVICE AND LIMITED-FUNCTION WHOLESALERS

(all values are expressed in thousands of dollars)

Geographic divisions	Number of establishments	Net sales	Total expenses % to net sales	Total pay roll % to net sales	Total stocks on hand (at cost), Dec. 31 - % to net sales
United States Total	1,563	$447,582	15.0	7.8	15.3
Full-line total	295	324,113	12.7	6.9	17.1
Specialty lines total	1,268	123,469	20.9	10.1	10.7
New England	76	x	12.4	6.9	15.2
Full-line	23	x	11.4	6.4	15.6
Specialty lines	53	x	21.0	11.5	12.5
Middle Atlantic	536	112,048	16.7	8.8	13.0
Full-line	39	52,734	11.2	6.6	15.1
Specialty lines	497	59,314	21.7	10.8	11.2
East North Central	299	87,915	15.1	7.6	13.5
Full-line	50	61,157	12.8	7.1	14.6
Specialty lines	249	26,758	20.5	8.9	10.8
West North Central	123	x	18.4	7.4	14.7
Full-line	32	x	12.6	6.6	15.4
Specialty lines	91	5,396	29.0	14.0	8.9
South Atlantic	151	48,648	13.6	6.9	15.1
Full-line	53	35,202	13.1	7.2	18.8
Specialty lines	98	13,446	15.0	5.9	5.6
East South Central	74	19,290	14.9	8.4	18.7
Full-line	27	17,264	13.5	7.4	19.3
Specialty lines	47	2,026	27.2	16.0	13.8
West South Central	98	30,836	13.1	7.3	20.5
Full-line	30	26,672	13.2	7.2	21.8
Specialty lines	68	4,164	12.3	7.5	11.9
Mountain	33	13,410	13.0	6.4	18.1
Full-line	17	x	12.5	6.0	18.0
Specialty lines	16	x	22.5	14.9	18.1
Pacific	173	55,989	15.8	8.1	18.9
Full-line	24	47,192	14.5	7.5	19.8
Specialty lines	149	8,797	22.8	11.4	13.7

x - Information withheld to avoid disclosure of individual operations.

Of particular interest are full-service and limited-function wholesalers which handled a full-line of drug products. For the country as a whole, the expense ratio of this group was 12.7 percent, of which 6.9 percent was composed of pay roll. Turning to the geographic divisions, it is found that expenses were highest in the Pacific states where they amounted to 14.5 percent and were lowest in the Middle Atlantic states (11.2%) and New England (11.4%). Total pay roll reached a peak of 7.5 percent of sales in the Pacific division while it dropped to 6.0 percent in the Mountain states and 6.4 percent in New England. It is significant to note that, wherever pay roll exceeds the national average (6.9%), total expense ratios also exceed the figures for the country (12.7%). In general, therefore, the areas with the lower total expenses have the smaller pay roll ratios. The differences between the geographic divisions reflect the individual characteristics of specific areas and also indicate variations in business practice.

Stocks on hand represent the inventory value (at cost) of all merchandise on hand for resale on December 31, 1935, including merchandise held on consignment. As stocks were valued at cost, they are not directly comparable with the sales figures which represent merchandise at cost plus the wholesale margin. Since, however, the cost of doing business does not differ too greatly from one section of the country to the other, the ratios of stocks on hand to total sales are significant. With stocks on hand amounting to 17.1 percent of sales for full-service and limited-function wholesalers handling a full-line of drug products, the lowest stocks were found to be held in the East North Central division (14.6%), while the largest stocks were found in the West South Central states (21.8%). Even though a tentative conclusion might be drawn to show that large stocks indicate high costs, the ratio of stocks on hand appears to reflect the individual requirements of particular areas rather than the efficiency or lack of efficiency of establishments. Stocks are relatively high (18.0%) in the Mountain States, for example, although the total expense ratio (12.5%) is below the national average (12.7%), while in the East North Central division the reverse is true.

Frequency Distribution of Operating Expenses.--For wholesale merchants, Table 5 shows that operating expenses were 15.1 percent of sales and that, for those wholesale merchants carrying a full-line of drug merchandise, the ratio was 13.0 percent. A sample of 145 full-line wholesale merchants (see Page 43 for description) was selected for a special tabulation in Table 10. These houses are classified according to their operating expense ratios. For the sample as a whole the expense ratio was 14.0 percent, an amount 1.0 percent over that for the total number of establishments similarly classified for the country. An examination of Table 10 indicates that the most common ratios were those between 12 and 18 percent with a tapering off of establishments and their importance both above and below these figures. The highest concentration appeared in the group with expenses between 12 and 14 percent of sales where 51 establishments are found and these houses did one-third (35.7%) of the total business. When the three groups with expenses between 12 and 18 percent are totalled, 113 establishments doing 78.6 percent of the total business are included, thus indicating that the average cost of 14.0 percent of sales was approached by the bulk of these wholesale merchants. This shows that, under most circumstances, a well run wholesale merchant will not have costs exceeding 18.0 percent and his business is unusually well run if his costs approach 12.0 percent. Due allowance should undoubtedly be made for differences caused by variations in territory as already indicated in Table 9. It is apparent, however, that the average cost ratio for full-line wholesale merchants represents substantially the greatest frequency as well as the arithmetic average of operating expenses.

TABLE 10.--FREQUENCY DISTRIBUTION OF OPERATING EXPENSES
FULL-LINE WHOLESALE MERCHANTS

Operating expense percentage	Full-line		
		Net sales	
	Number	Amount	Percent to total
Total	145	$181,400	100.0
Under 8	3	1,775	1.0
8 to 9.99	8	8,881	4.9
10 to 11.99	9	18,677	10.3
12 to 13.99	51	64,789	35.7
14 to 15.99	40	43,626	24.0
16 to 17.99	22	34,331	18.9
18 to 19.99	9	7,924	4.4
20 to 21.99	3	1,397	.8

Operating Expenses in Detail

Wholesale merchants with annual sales in excess of $50,000 were asked to analyze their accounts and report their administrative, selling, delivery, warehouse, occupancy and other expenses separately. It was found, however, that the accounting methods in vogue in most of the houses with sales of less than $100,000 did not lend themselves to this type of analysis. This study is limited, therefore, to those houses with annual sales of $100,000 or more which were able to furnish adequate data. This breakdown of operating expenses into detail or functional divisions appears in Table 11. As cost figures are more significant when analyzed for specific lines of merchandise, the information has been presented for full-line wholesale merchants and the four specialty lines separately.

The 194 full-line wholesale merchants who reported operating expenses in detail had total costs amounting to 13.6 percent of sales, a figure slightly over that for all wholesalers so classed (13.0%). Administrative expenses were the single most important division and amounted to 4.7 percent of sales. Selling expenses were next in importance (3.4%), followed by warehouse expenses (2.0%), "other" expenses (1.8%), occupancy expenses (1.0%) and delivery expenses (0.7 of one percent). Some difficulty was encountered in the classification of expenses. The proper distinction between warehouse and occupancy costs was in many cases difficult to make, particularly where all the activities were housed in one building and it was necessary to allocate expenses. Also the question of storage was somewhat confusing, as some respondents included such costs under warehouse expenses, while others considered them a part of occupancy. Similar difficulties occurred with the other classifications, although these variations appeared to represent only a very minor portion of the total.

TABLE 11.--OPERATING EXPENSES IN DETAIL
WHOLESALE MERCHANTS WITH SALES OF MORE THAN $100,000 FOR GEOGRAPHIC DIVISIONS

(all values are expressed in thousands of dollars)

Geographic Division and Kind of Business	Establishments reporting analysis of expenses		Operating expenses (including pay roll) of reporting establishments							
			Total expenses		Administrative expenses % to net sales	Selling expenses % to net sales	Delivery expenses % to net sales	Warehouse expenses % to net sales	Occupancy expenses % to net sales	Other expenses % to net sales
	Number	Net sales	Amount	% to net sales						
A - Full-line										
United States Total	194	$238,006	$32,291	13.6	4.7	3.4	.7	2.0	1.0	1.8
New England	10	11,449	1,590	13.9	4.4	3.4	1.2	1.6	1.4	1.9
Middle Atlantic	22	34,229	4,058	11.9	3.9	2.7	1.1	2.0	1.0	1.2
East North Central	27	41,779	5,359	12.8	4.5	3.3	.6	2.2	.9	1.3
West North Central	24	38,858	5,480	14.1	5.0	3.9	.6	2.3	.9	1.4
South Atlantic	35	21,443	3,154	14.7	5.5	3.8	.8	2.1	1.3	1.2
East South Central	20	15,426	2,053	13.3	5.1	3.2	.5	1.6	1.1	1.8
West South Central	23	23,100	3,049	13.2	4.7	3.7	.4	1.8	1.0	1.6
Mountain	14	9,162	1,216	13.3	4.2	3.1	.7	2.1	1.1	2.1
Pacific	19	42,560	6,332	14.9	4.8	3.3	.7	2.1	1.0	3.0
B - Drugs and drug sundries (specialty lines)										
United States Total	98	$31,525	$6,411	20.3	6.4	8.1	2.1	1.3	1.4	1.0
Drug specialties	40	8,764	1,448	16.5	5.5	4.7	1.3	1.8	1.7	1.5
Patent medicines	9	4,418	831	18.8	5.0	9.6	1.5	.9	1.5	.3
Toilet articles and preparations	24	10,026	2,821	28.1	9.3	12.4	3.1	1.2	1.5	.6
All other	25	8,317	1,311	15.8	4.6	5.6	2.1	1.2	1.1	1.2

Administrative expenses vary from a low of 3.9 percent in the Middle Atlantic division to a high of 5.5 percent in the South Atlantic States. The low administrative costs in the Middle Atlantic area are reflected in the low total expenses (11.9%) for houses located there. The Middle Atlantic States exceed average costs only in the case of delivery expenses (1.1%) although they equal average warehouse and occupancy costs. The houses in the Middle Atlantic States thus obtain their very low ratio of 11.9 percent by making material savings in both administrative and selling costs. The detailed types of cost differ some from one geographic division to another, yet it is nevertheless assuring to note the relative consistency of the detailed ratios. For example, selling expenses averaged 3.4 percent for the country, reaching a low of 2.7 percent in the Middle Atlantic States and a high of 3.9 percent in the West North Central division, although only two of the nine divisions have identical selling ratios. It is, of course, impossible to tell how much of such variation is due to the business efficiency of individual houses and how much is the result of inherent differences between the geographical areas.

In the case of drug specialties, patent medicines, toilet articles and preparations and "other" drug items, the number of houses which reported operating expenses in detail was so small that information by geographic divisions could not be given in order to avoid the possible disclosure of individual operations. In the case of these detailed kinds of business, therefore, the analysis of operating expenses is given only for the country as a whole in Table 11.

This table gives a comprehensive picture of detailed cost analysis for wholesale merchants with sales of more than $100,000 and, if used with caution, it offers the individual concern an excellent standard against which to match its individual performance. In this way, it becomes possible for a particular house to discover where its above average cost appears and to decide whether this excess can be deleted or whether it is caused by some peculiar and profitable idiosyncrasy of its operation.

Business-Size Groups

The significance of operating expense figures is enhanced when the group to which average operating expenses are applied is analyzed in detail. As a result, wholesale merchants were grouped according to the size of their annual business in 1935. In Table 12 the data are shown by size groups, the smallest including houses with annual sales of under $50,000 and the largest composed only of establishments with sales equalling or exceeding two million dollars.

An examination of the data which refers to full-line wholesale merchants proves conclusively that operating expense ratios declined from the smallest to the largest size group. This decline from a cost ratio of 16.6 percent for

establishments with an annual business under $100,000 to a low point of 12.7 percent for establishments with sales exceeding one million dollars is somewhat irregular, but nevertheless conclusive. The sharp drop from 16.6 percent for firms in the smallest group to 13.7 percent for houses doing a volume between $100,000 and $200,000 clearly indicates that very small houses operate at a considerable competitive disadvantage. The slightly lower ratios of the $100,000 to $200,000 and $200,000 to $300,000 groups (13.7% and 13.5%), when compared with the cost ratios of the next larger size group of from $300,000 to $500,000 (14.2%), is probably caused by differences in business structure. The compensation of proprietors and firm members of unincorporated businesses are not included in pay roll and expenses. Similarly, certain administrative costs of the smaller houses of multi-unit groups are not allocated to the individual house but are absorbed by the larger supervisory units. These two facts tend to make it possible for some smaller houses to show lower costs than the actual operations warrant. A reasonably valid conclusion would seem to be that, after a minimum effective size group of $100,000 to $200,000 has been reached, full-line drug wholesalers operate at about constant costs up to an annual sales volume of $1,000,000 and that, above the one million dollar size, certain additional economies become possible which permit a slight lowering of expense ratios. In this connection, it is significant to note that, of the 274 full-line wholesale merchants in the drug trade doing $297,784,000 business in 1935, 107 which accounted for $221,430,000 of sales or three-fourths (74.4%) of the total business, fell into the two lowest cost groups doing an annual volume of business exceeding one million dollars. This indicates rather conclusively that the wholesale drug trade has adapted itself to economical operation. Similar data for wholesalers specializing in drugs and drug sundries (specialty lines) are also included in Table 11, thus making a similar analysis for specialty line wholesalers possible.

TABLE 12.--EXPENSE ANALYSIS BY BUSINESS-SIZE GROUPS
Wholesale Merchants Only

Net sales - Size groups	Number of establishments	Net sales		Total expenses	
		Amount (add 000)	Percent to total	Amount (add 000)	Percent to sales
		A. Drugs (full-line)			
United States Total	274	$297,784	100.0	$38,825	13.0
Under $100,000	15	949	.3	158	16.6
$100,000 to $199,999	21	2,860	1.0	393	13.7
$200,000 to $299,999	16	3,871	1.3	483	12.5
$300,000 to $499,999	45	17,437	5.9	2,480	14.2
$500,000 to $999,999	70	51,237	17.2	7,185	14.0
$1,000,000 to $1,999,999	68	91,565	30.7	11,967	13.1
$2,000,000 and over	39	129,865	43.6	16,159	12.4
		B. Drugs (specialty lines)			
United States Total	1,149	$112,813	100.0	$23,305	20.7
Under $50,000	785	11,773	10.4	3,086	26.2
$50,000 to $99,999	143	9,907	8.8	2,329	23.5
$100,000 to $199,999	112	15,582	13.8	3,573	22.9
$200,000 to $299,999	39	9,678	8.6	2,144	22.2
$300,000 to $499,999	38	14,865	13.2	3,296	22.2
$500,000 to $999,999	20	13,202	11.7	2,994	22.7
$1,000,000 to $1,999,999	5	6,086	5.4	772	12.7
$2,000,000 and over	7	31,720	28.1	5,111	16.1

In Table 13 the operating expenses of 145 full-line wholesale merchants have been analyzed by business-size groups. Costs are found to decline in the special sample (see page 43) pictured in Table 13 as size increases, except for the largest size group with sales of $3,000,000 and over. From a high of 17.8 percent for the 2 establishments with sales of under $200,000, cost ratios decline from one group to the next, except for the group with sales between $200,000 and one-half million dollars, until they reach a low of 13.5 percent for those establishments with sales between 2 and 3 million dollars. The rise in cost ratios from 13.5 percent for wholesalers between 2 and 3 million dollars to 14.5 percent for the 10 establishments with sales exceeding 3 million dollars is significant and will be discussed in detail in connection with Tables 14 and 19.

Certain special types of information which have a direct relationship to total expenses have also been included in Table 13. These are number of salesmen, average sales per salesman, salesmen's compensation and stocks on hand. The number of salesmen for establishments increases from two to three for houses with a sales volume under $200,000 per year to a high of 43 for establishments whose sales exceed three million dollars. More significant, however, is the rise of average sales per salesman from $62,000 for the smallest size group to $105,000 for the houses whose sales exceed three million dollars. Similarly, there is a tendency for the total compensation of salesmen to drop from about two and one-half percent to a low of 2.1 percent for the largest size group. Stocks on hand (at cost) also show a tendency to fall as the size of the business unit increases, dropping from over one-quarter of sales for the two smallest size groups to about 15 percent of sales for the two largest size groups. These figures indicate that the larger size business units effect economies in sales costs and stocks on hand as their size expands.

TABLE 13.--OPERATING EXPENSES BY BUSINESS-SIZE GROUPS FOR SELECTED FULL-LINE WHOLESALE DRUG MERCHANTS

Net eales size groups	Number of eetablishmente	Net salee		Total expensee % to net sales	Number of eales-men	Average eale per salee-man	Salesmen'e total compeneation % to net salee	Stocke on hand at coet, Dec. 31. % to net salee
		Amount (add 000)	Percent to total					
United Statee Total	145	$181,400	100.0	14.0	1,837	$99,000	2.3	18.2
$100,000 to $199,999	2	309	.2	17.8	5	62,000	2.6	33.0
$200,000 to $499,999	30	11,263	6.2	13.8	150	75,000	2.5	26.7
$500,000 to $999,999	46	34,069	18.8	14.6	354	96,000	2.3	19.6
$1,000,000 to $1,999,999	45	60,309	33.2	13.7	596	101,000	2.3	19.3
$2,000,000 to $2,999,999	12	29,698	16.4	13.5	297	100,000	2.5	14.6
$3,000,000 and over	10	45,752	25.2	14.5	435	105,000	2.1	15.9

The same 145 full-line wholesale merchante are included in Table 14 which divides their operating expenses into detailed claeses. For the group ae a whole, total expensee were 14.0 percent of net eales, of which adminietrative expenees accounted for 4.7 percent; sales expenses, 3.4 percent; delivery expenees, 0.7 percent; warehouee expenses, 2.2. percent; occupancy expenses, 1.1 percent; and "other" expensee, 1.9 percent. In the analysie of Table 13, it was found that operating expenses fell from the lowest size group to those doing a business between 2 and 3 million dollars. An examination of Table 14 indicates that a good share of the economy wae in adminietrative expensee which tended to decrease ae the size of the business became greater. The very low administrative expensee of 1.6 percent for houses with a sales volume between $100,000 and $200,000 ie caueed by the fact that no remuneration ie included in the pay roll and expense figures for proprietore of unincorporated concerne. It is desirable alsc to note that the administrative expenses of houses whoee volume exceeded three million dollars was 4.8 percent, an amount considerably above that for the next emaller size group (4.2%), indicating that these few large houses might be carrying on eome activity not common to the next emaller size claes. A portion of thie excees undoubtedly represente the eupervisory costs of the divieional and central headquartere of multi-unit organizations.

Although selling expeneee vary little between the size groups and no conclusive trend is shown, it ehould be noted that the one size group whose selling expenses is below the average (3.4%) consists of those houses with sales exceeding three million dollars whose selling expenses was 3.1 percent. A very similar situation exists in the case of warehouse expenees where only those concerns in the largest group (over three million dollars ealee) showed any appreciable economy. In this case the national average was 2.2 percent and thie largest size group with warehouse costs of 1.9 percent was the only group to have costs lower than the average. In the caee of delivery and occupancy expenees, no decisive trends are noticeable. As it is frequently difficult to segregate occupancy, warehouse and delivery expenses clearly, the slight variations of the figures are more significant when these three types of cost are combined. Considering these three types of cost together, it is found again that no distinct conclusions are possible except that the very largest houses with sales over three million dollars have the lowest coets (3.7%) which are nearly one-tenth lower than average cost (4.0%).

TABLE 14.--OPERATING EXPENSES IN DETAIL BY BUSINESS-SIZE GROUPS FOR SELECTED FULL-LINE WHOLESALE MERCHANTS

Net eales-size groupe	Number of eetablishments	Net sales		Total expenses		Administrative expeneee, % to net sales	Selling expenseee, % to net sales	Delivery expeneee, % to net salee	Warehouse expenses, % to net sales	Occupancy expenses, % to net ealee	Other expenses, % to net eales
		Amount (add 000)	% to total	Amount (add 000)	% to net salee						
Total	145	$181,400	100.0	$25,436	14.0	4.7	3.4	.7	2.2	1.1	1.9
$100,000 to $199,999	2	309	.2	55	17.8	1.6	5.8	1.6	3.9	3.3	1.6
$200,000 to $499,999	30	11,263	6.2	1,556	13.8	4.6	3.5	.5	2.1	1.7	1.4
$500,000 to $999,999	46	34,069	18.8	4,973	14.6	5.4	3.5	.7	2.2	1.2	1.6
$1,000,000 to $1,999,999	45	60,309	33.2	8,233	13.7	4.5	3.4	.6	2.3	.9	2.0
$2,000,000 to $2,999,999	12	29,698	16.4	4,004	13.5	4.2	3.7	.8	2.4	1.3	1.1
$3,000,000 and over	10	45,752	25.2	6,615	14.5	4.8	3.1	.8	1.9	1.0	2.9

This analysis indicates that the very large houses (sales exceeding three million dollars) do not have large total costs (14.5%) because of any increased expense in occupancy, warehousing or delivering. In addition, as already noted, they have lower selling expenses and higher administrative expenses. Turning to "other" expenses, the one decisive feature of the figures is the fact that the three million dollar houses have "other" expenses (2.9%) considerably above the average (1.9%). Thus, houses with an annual sales volume of between two and three million dollars have costs of 13.5 percent and houses with sales above three million dollars have costs of 14.5 percent, and this increase of one percent in the cost ratios is composed, roughly speaking, of total increases of 1.5 to 2 percent in administrative and "other" expenses which are partially counteracted by economies in selling expenses and low costs in delivery, warehouse and occupancy expenses. This would seem to indicate that these very large (over three million dollars sales) full-line drug houses had added on some new activity. This conclusion is further indicated by the analysis of employment in detail by business-size groups in Table 19.

EMPLOYMENT AND PAY ROLL

The 2,004 drug wholesalers in the United States in 1935 had 31,298 full-time and part-time employees or an average of just under 16 employees per establishment. As shown in Table 15, the 31,298 employees received total compensation of $50,553,000 or an annual average wage of $1,615 each. Of the total wages ($50,553,000), almost all ($50,240,000) was received by full-time employees. Part-time pay roll was $313,000, a sum relatively so small that it does not amount to one-tenth of one percent of total sales. For each of the 4 types of operation this very low total for part-time pay roll is maintained. The drug trade is, therefore, typically one of full-time employment.

Full-service and limited-function wholesalers with 1,563 establishments had 23,087 employees or an average of just under 15 employees each. In the case of manufacturers' sales branches the average was just over 26 employees; for manufacturers' sales offices approximately 17; and for agents and brokers between 4 and 5 employees per establishment. As manufacturers' sales offices and agents and brokers do not ordinarily take care of the physical handling of the merchandise, while full-service and limited-function wholesalers and manufacturers' sales branches perform this function, certain differences in employment are to be expected.

Pay roll was a heavier expense for manufacturers' sales branches (10.6%) and sales offices (10.3%) than for full-service and limited-function wholesalers (7.8%) and agents and brokers (4.0%). In addition to the 31,298 paid workers, the drug trade gave employment to 952 proprietors and firm members of unincorporated concerns. Since the remuneration of these persons was, in some cases, impossible to determine, the compensation for the entire group has been omitted from all pay roll figures. Proprietors and firm members have also been excluded in the count of employees.

TABLE 15.--SUMMARY OF EMPLOYMENT AND PAY ROLL: 1935
(FULL-TIME AND PART-TIME COMBINED)

(all values are expressed in thousands of dollars)

Type of operation	Number of establishments	Net Sales	Proprietors and firm Members	Employees (full-time and part-time) average for year	Pay Roll					
					Total		Full-time		Part-time	
					Amount	% to Net Sales	Amount	% to Net Sales	Amount	% to Net Sales
United States Total	2,004	$612,884	952	31,298	$50,553	8.2	$50,240	8.1	$313	.1
Full-service and limited-function wholesalers	1,563	447,582	810	23,087	34,885	7.8	34,611	7.7	274	.1
Manufacturers' sales branches	270	128,468	11	7,050	13,566	10.6	13,544	10.6	22	--
Manufacturers' sales offices	31	9,940	8	518	1,024	10.3	1,014	10.2	10	.1
Agents and brokers	140	26,894	123	643	1,078	4.0	1,071	4.0	7	--

Regularity of Employment.--As stated above the number of employees in the drug trade during 1935 averaged 31,298 persons. Taking this average as 100.0 percent, it is found in Table 16 that employment varied from a low of 98.0 percent in January to a high of 102.5 percent in December, a total spread of four and one-half points. When it is considered that 1935 was a year of improving business conditions, this total variation appears modest and characterizes the drug trade as one of stable employment. In addition, the difference between employment in consecutive months was always under one percent with a consistently rising trend.

Turning to the geographic divisions, it is found that New England is the only division which diverges to any extent from the national picture. In this division, January (100.2%) was a month of relatively high employment and the peak was reached in March (100.6%), while employment was above average from January through June and dropped slightly during the next four months, again rising in November and December. New England, however, had very stable employment which varied only from 99.2 to 100.6, or 1.4 points. The other geographic divisions followed the national trend rather closely with low employment during the first quarter of the year and rising employment until the peak was reached in the last quarter of the year. In some cases the variation from low employment to high employment was somewhat greater than for the nation as a whole. The total rise was 4.4 points for the Middle Atlantic; 5.1 points for the East North Central; 3.1 points for the West North Central; 4.8 points for the South Atlantic; 3.2 points for the East South Central; 6.2 points for the West South Central; 5.2 points for the Mountain; and 7.8 points for the Pacific States. The sectional differences within the country and the unevenness of the improvement of business conditions are probably reflected by these figures.

TABLE 16.--MONTHLY EMPLOYMENT BY GEOGRAPHIC DIVISIONS
(FULL-TIME AND PART-TIME EMPLOYEES COMBINED)

Expressed as a percentage of the annual average

Month	United States		New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
	Number	% of average									
Average for Year	31,298		1,512	10,544	5,917	3,211	2,436	1,569	1,772	593	3,744
Percent of Annual Average		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
January	30,681	98.0	100.2	98.3	97.9	98.8	98.7	98.8	96.1	98.3	96.0
February	30,797	98.4	100.1	98.2	98.7	98.7	98.7	98.9	98.0	97.8	97.3
March	30,942	98.9	100.6	98.9	98.9	99.2	98.6	99.0	98.4	98.3	98.0
April	31,027	99.1	100.5	99.5	99.0	98.9	97.9	99.9	99.4	98.0	98.6
May	31,072	99.3	100.2	99.8	98.9	98.8	98.1	99.7	99.3	99.2	99.0
June	31,110	99.4	100.1	99.7	99.3	99.0	98.8	100.0	99.6	98.8	99.1
July	31,181	99.6	99.2	99.2	99.2	100.8	99.7	100.1	100.7	100.0	99.8
August	31,297	100.0	99.2	99.5	100.2	100.9	100.5	100.1	101.0	100.8	99.8
September	31,485	100.6	100.0	100.2	101.1	100.5	101.5	100.1	101.1	100.5	100.6
October	31,952	102.1	99.7	101.8	101.9	101.8	102.2	102.0	101.6	102.9	104.6
November	31,960	102.1	100.2	102.3	101.9	101.3	102.7	100.8	102.3	102.4	103.4
December	32,071	102.5	100.0	102.6	103.0	101.3	102.6	100.6	102.5	103.0	103.8

Through an examination of Table 17 it is possible to compare employment in the drug trade for 1935, 1933 and 1929. Average employment was greatest in 1929 when it included 37,470 persons, then it dropped to 26,105 in 1933 and rose to 31,298 in 1935. Seasonal variation in each of these years is rather uniform. Lowest employment occurred during the early part of each year and was followed by a slowly expanding number of workers until the employment peak came towards the end of the year. For 1929, figures are available only quarterly and the variation was from 98.6 in the first quarter to 101.4 in the third quarter, or 2.8 points. In 1933 the low of 97.8 was reached in May with the December high reaching 104.1, a difference of 6.3 points. For 1935, the January low of 98.0 was followed by slowly rising employment until the December high of 102.5 was reached, the variation being 4.5 points. Since 1933 included extremes of business conditions, it is quite likely that both 1935 and 1929 are more representative of normal seasonal variation. In general, it appears that the drug trade has fairly stable employment with a variation of not over 5 percent.

TABLE 17.--MONTHLY EMPLOYMENT: 1935 - 1933 - 1929
(FULL-TIME AND PART-TIME EMPLOYEES COMBINED)

	1935		1933		1929	
	Number	% of Average	Number	% of Average	Number	% of Average
Average for Year	31,298	100.0	26,105	100.0	37,470	100.0
January	30,681	98.0	25,721	98.5		
February	30,797	98.4	25,620	98.1	36,927	98.6
March	30,942	98.9	25,676	98.4		
April	31,027	99.1	25,582	98.0		
May	31,072	99.3	25,537	97.8	37,403	99.8
June	31,110	99.4	25,668	98.3		
July	31,181	99.6	25,872	99.1		
August	31,297	100.0	26,117	100.0	37,991	101.4
September	31,485	100.6	26,528	101.6		
October	31,952	102.1	26,783	102.6		
November	31,960	102.1	26,988	103.4	37,558	100.2
December	32,071	102.5	27,174	104.1		

Analysis of Employment and Pay Roll for a Representative Week

On the 1935 wholesale schedule, establishments were asked to analyze their employment and pay roll for a selected week. Employees were divided into six types, -- executive and salaried corporation officers, office and clerical, inside selling, outside selling, warehousing employees and "other" employees. The week ending October 26, 1935, was selected as a representative period. Where, due to peculiarities of an individual concern's operations, this week was not representative, an establishment was requested to choose another week in its busy season and to report for this period.

The analysis of employment in Table 16 indicates that October was a month of above average employment. Similarly, establishments which found it necessary to select a week other than that which ended October 26, reported employment and pay roll for a week in their busy season. As a result the 1564 establishments which gave satisfactory detailed information, reported total employment and pay roll for a period in which these exceeded the average figures for 1935. The remaining 440 establishments were excluded from the analysis because of irregular employment for occasional months only, or because their records were such that they were unable to give the desired information, or because they had not paid personnel.

The total employees for the 1,564 establishments analyzed were composed of 27,542 full-time employees who received 99.1 percent of total pay roll for the week and 667 part-time who received 0.9 percent of the weekly pay roll. Since it was impossible to determine the amount of time worked by the part-time employees, the detailed analysis is limited to full-time employees only. Full-time employees were defined as persons who were regularly working 4 or more hours each business day or more than 3 full days per week, while all persons working less than this amount were to be classified as part-time employees.

Office and clerical employees were the most numerous single group in the drug trade and numbered three-tenths (29.6%) of total employees and accounted for 23.1 percent of total pay roll. Office and clerical workers dropped to a low of 20.0 percent of the total in the case of manufacturers' sales offices and reached a high of 35.2 percent in the case of agents and brokers. Average weekly wages for this group were $25 per week, varying from $23 in the case of agents and brokers to $28 in the case of manufacturers' sales branches.

Selling employees, when inside and outisde salesmen are combined, were the second most numerous group and included 28.8 percent of the total. With respect to remuneration, they were the most important group and accounted for over one-third (37.7%) of total payroll. Except for executives and salaried corporation officers, salesmen were the best paid group in the drug trade. Outside selling employees received an average weekly wage of $45, while inside salesmen received $28. This large difference between the two classes of selling employees reflects the differences in the character of the duties performed and the fact that inside selling employees frequently spend a portion of their time in other types of work, while outside salesmen specialize more in actual selling. The relatively high remuneration of inside salesmen in the case of manufacturers' sales branches and sales offices indicates a high degree of specialization. It should also be remembered that semi-executives, especially in the case of manufacturers' sales branches and offices, are often classified as selling employees. It is of interested to note that full-service and limited-function wholesalers who carry a full line have relatively few outside salesmen (13.8% of total employees) and pay them better ($49 per week) than the average compensation ($45 per week) for such workers.

Warehouse employees, in spite of the fact that manufacturers' sales offices hire none because they do not handle stocks for delivery, account for one-quarter (26.0%) of total employees and receive one-sixth (16.2%) of total pay roll. For full-line merchant wholesalers, warehouse employees amount to almost two-fifths (38.2%) of total workers while the specialty houses of all types have relatively fewer employees in this group, indicating the importance of the actual handling of merchandise for full-line merchant wholesalers as compared with specialty line agents and brokers or manufacturers' sales offices.

By "other" employees were meant the persons who did not fall clearly under any one of the five specific classifications. Here were included (a) those performing duties which would not be properly classified elsewhere (maintenance employees, charwomen, elevator operators, truck drivers, yard employees, service men, etc.) and (b) those performing functions falling within two or more of the other classifications, no one of which dominated. This latter situation occurred particularly in the case of the smaller wholesalers where employees divided their time between several activities, such as inside selling, warehousing and delivery. "Other" employees accounted for one-tenth (9.7%) of total workers and 6.0 percent of pay roll. Their average weekly wage was $20, a remuneration identical with that received by warehouse workers who were also engaged in the physical handling of goods.

Executives and salaried corporation officers amounted to only 5.9 percent of total employees but obtained 17.0 percent of the total pay roll. Although an average weekly remuneration can be calculated from the figures, the duties and responsibilities of executives and corporation officers differ so much that an average weekly wage would have very little practical significance. It is sufficient to state that, for each type of operation, this class received the highest compensation. In the case of manufacturers' sales branches (2.6%), executives and salaried corporation officers accounted for a very small proportion of total employees. This is mainly due to the fact that many manufacturing concerns class the highest ranking person at a sales branch or office as an outside or inside selling employee rather than as an executive; therefore many who, in the case of full-service and limited-function wholesalers, might appear in the executive classifications, are more likely to be listed as selling employees. To some extent, this may explain the high remuneration which inside selling employees received in the case of manufacturers' sales branches and offices.

Agents showed 7.9 percent of their employees classified as executives and salaried corporation officers and this group received over one-fifth (22.8%) of total pay roll. The small size of many agents is quite possibly the major factor here. A number of concerns operate with one or two executives and a few clerical workers. Full-service and limited-function wholesalers handling a full line, with one out of every twenty (4.8%) employees in the executive and corporation officer class and this group receiving one-sixth (15.9%) of total pay roll, are probably the most representative. The extremes are caused more by differences in corporate and business organization than by any variation in personnel and its functions.

Throughout the detailed analysis of employment and full-time pay roll, full-service and limited-function wholesalers and agents compensate their employees somewhat less than manufacturers' sales branches and offices. This emphasizes the thought that manufacturers found it most efficient to hire technically skilled and expert employees in the selling of their products through controlled sales branches and offices. Certain classes such as outside salesmen are somewhat affected by the business structures of a particular concern; therefore any conclusion that one type pays more for identical work than another type seems not to be warranted.

TABLE 18.--EMPLOYMENT AND PAY ROLL BY OCCUPATIONAL GROUPS AND TYPES OF OPERATION FOR ONE WEEK ONLY

(Figures are for week ending October 26, 1935, except where such period was not representative. In such cases, one week of representative employment is given. Establishments which reported irregular employment for occasional months and those having no paid employees, are not included.)

Occupational groups	Total, all types	Full-line	Specialty lines			
		Full-Service and Limited-Function Wholesalers	Full-Service and Limited-Function Wholesalers	Manufacturers' Sales Branches	Manufacturers' Sales Offices	Agents and Brokers
Total number of establishments	1,564	270	952	220	27	95
Total number of employees	28,209	13,764	6,631	6,671	481	662
Full-time employees	27,542	13,616	6,194	6,629	470	633
Percent to total employees	97.6	98.9	93.4	99.4	97.7	95.6
Part-time employees	667	148	437	42	11	29
Percent to total employees	2.4	1.1	6.6	0.6	2.3	4.4
Total pay roll	$901,189	$404,775	$207,760	$249,287	$18,823	$20,544
Full-time pay roll	$893,283	$402,805	$202,676	$248,882	$18,609	$20,311
Percent to total pay roll	99.1	99.5	97.6	99.8	98.9	98.9
Part-time pay roll	$7,906	$1,970	$5,084	$405	$214	$233
Percent to total pay roll	0.9	0.5	2.4	0.2	1.1	1.1
FULL-TIME EMPLOYEES FOR ONE WEEK ONLY						
All occupational groups						
Number of employees	27,542	13,616	6,194	6,629	470	633
Percent to total	100.0	100.0	100.0	100.0	100.0	100.0
Pay roll	$893,283	$402,805	$202,676	$248,882	$18,609	$20,311
Percent to total	100.0	100.0	100.0	100.0	100.0	100.0
Average weekly wage	$32	$30	$33	$38	$40	$32
Executives and salaried corporation officers						
Number	1,615	659	710	173	23	50
Percent to total	5.9	4.8	11.5	2.6	4.9	7.9
Pay roll	$151,064	$64,237	$57,008	$23,342	$1,842	$4,635
Percent to total	17.0	15.9	28.1	9.4	9.9	22.8
Office and clerical employees						
Number	8,165	3,900	1,753	2,195	94	223
Percent to total	29.6	28.6	28.3	33.1	20.0	35.2
Pay roll	$206,252	$95,525	$41,256	$61,752	$2,498	$5,221
Percent to total	23.1	23.7	20.3	24.8	13.4	25.7
Average weekly wage	$25	$24	$24	$28	$27	$23
Inside selling employees						
Number	1,365	790	339	215	20	1
Percent to total	5.0	5.8	5.5	3.3	4.3	0.2
Pay roll	$38,140	$21,110	$7,434	$8,750	$811	$35
Percent to total	4.3	5.3	3.7	3.5	4.4	0.2
Average weekly wage	$28	$27	$22	$41	$41	$35
Outside selling employees						
Number	6,563	1,877	1,538	2,631	305	212
Percent to total	23.8	13.8	24.8	39.7	64.9	33.5
Pay roll	$298,594	$91,522	$60,933	$125,541	$12,533	$8,065
Percent to total	33.4	22.7	30.1	50.4	67.3	39.7
Average weekly wage	$45	$49	$40	$48	$41	$38
Warehouse employees						
Number	7,159	5,198	972	922	--	67
Percent to total	26.0	38.2	15.7	13.9	--	10.6
Pay roll	$145,148	$104,706	$18,701	$20,517	--	$1,224
Percent to total	16.2	26.0	9.2	8.3	--	6.0
Average weekly wage	$20	$20	$19	$22	--	$18
Other employees						
Number	2,675	1,192	882	493	28	80
Percent to total	9.7	8.8	14.2	7.4	5.9	12.6
Pay roll	$54,085	$25,705	$17,344	$8,980	$925	$1,131
Percent to total	6.0	6.4	8.6	3.6	5.0	5.6
Average weekly wage	$20	$22	$20	$18	$33	$14

CENSUS OF BUSINESS: 1935

TABLE 19.-- OCCUPATIONAL EMPLOYMENT AND PAY ROLL BY BUSINESS SIZE GROUPS
FULL-LINE WHOLESALE MERCHANTS FOR ONE WEEK ONLY.

(Figures are for week ending October 26, 1935, except where such period was not representative. In such cases, one week of representative employment is given. Establishments which reported irregular employment for occasional months and those having no paid employees, are not included.)

	Net-sales size groups						
	All size groups	Under $300,000	$300,000 to $499,999	$500,000 to $999,999	$1,000,000 to $1,999,999	$2,000,000 to $2,999,999	$3,000,000 and over
Number of Esteblishments	145	6	26	46	45	12	10
Total Employees	9,123	81	534	1,668	2,931	1,455	2,454
Full-Time Employees	9,052	80	532	1,652	2,897	1,440	2,451
Percent to total	99.2	98.8	99.6	99.0	98.8	99.0	99.9
Part-Time Employees	71	1	2	16	34	15	3
Percent to total	0.8	1.2	.4	1.0	1.2	1.0	.1
Total Pay Roll							
Amount	$274,624	$2,483	$15,217	$52,317	$90,405	$44,977	$69,225
Full-Time Pay Roll							
Amount	$273,765	$2,473	$15,186	$52,150	$89,988	$44,831	$69,137
Percent to total	99.7	99.6	99.8	99.7	99.5	99.7	99.9
Average weekly wage	$30	$31	$29	$32	$31	$31	$28
Part-Time Pay Roll							
Amount	$859	$10	$31	$167	$417	$146	$88
Percent to total	.3	.4	.2	.3	.5	.3	.1
Full-Time Employees For One Week Only							
Total Number	9,052	80	532	1,652	2,897	1,440	2,451
Percent to total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total Pay Roll	$273,765	$2,473	$15,186	$52,150	$89,988	$44,831	$69,137
Percent to total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average weekly wage	$30	$31	$29	$32	$31	$31	$28
Executives and Salaried Corporation Officers							
Number	432	12	47	113	156	46	58
Percent to total	4.8	15.0	8.8	6.9	5.4	3.2	2.4
Pay Roll	$42,736	$642	$3,484	$10,468	$14,900	$6,098	$7,144
Percent to total	15.6	25.9	22.9	20.1	16.5	13.6	10.3
Average weekly wage	$99	$54	$74	$93	$96	$133	$123
Office And Clerical Employees							
Number	2,520	16	118	424	833	371	758
Percent to total	27.8	20.0	22.2	25.7	28.7	25.8	30.9
Pay Roll	$63,225	$385	$2,776	$10,704	$20,961	$9,450	$18,949
Percent to total	23.1	15.6	18.3	20.5	23.3	21.1	27.4
Average weekly wage	$25	$24	$24	$25	$25	$25	$25
Inside-Selling Employees							
Number	492	1	46	91	133	72	149
Percent to total	5.4	1.3	8.7	5.5	4.6	5.0	6.1
Pay Roll	$13,568	$29	$1,207	$2,614	$3,573	$2,156	$3,989
Percent to total	5.0	1.2	7.9	5.0	4.0	4.8	5.8
Average weekly wage	$28	$29	$26	$29	$27	$30	$27
Outside-Selling Employees							
Number	1,345	18	90	263	463	225	286
Percent to total	14.9	22.5	16.9	15.9	16.0	15.6	11.6
Pay Roll	$66,286	$720	$3,520	$12,565	$23,184	$11,888	$14,409
Percent to total	24.2	29.1	23.2	24.1	25.8	26.5	20.9
Average weekly wage	$49	$40	$39	$48	$50	$53	$50
Warehouse Employees							
Number	3,594	26	183	633	1,128	686	938
Percent to total	39.7	32.5	34.4	38.3	38.9	47.6	38.3
Pay Roll	$72,953	$552	$3,417	$13,134	$22,900	$13,783	$19,167
Percent to total	26.6	22.3	22.5	25.2	25.4	30.7	27.7
Average weekly wage	$20	$21	$19	$21	$20	$20	$20
Other Employees							
Number	669	7	48	128	184	40	262
Percent to total	7.4	8.7	9.0	7.7	6.4	2.8	10.7
Pay Roll	$14,997	$145	$782	$2,665	$4,470	$1,456	$5,479
Percent to total	5.5	5.9	5.2	5.1	5.0	3.3	7.9
Average weekly wage	$22	$21	$16	$21	$24	$36	$21

BUSINESS-SIZE GROUPS. The detailed information about employment and pay roll is broken down by business-size groups in Table 19 for full-line wholesale merchants. In the case of executives and corporation officers, their number and remuneration become a smaller proportion of the total as the business-size groups become larger. The same general picture holds true for outside selling employees, although it should be noted in both cases that the weekly wage per employee increases as the volume of business expands. Office and clerical employees rise from one-fifth of total employees for houses doing a business under $300,000 to about three-tenths of the total for the largest houses. The compensation of the group also rises from about one-sixth of total pay roll to over one-quarter as size increases, although average weekly wages remain about the same.

The relative number and pay roll of inside selling employees stabilizes at about one-twentieth of total employment and pay roll except for the two smaller size groups. In the smaller houses, the gyration in the importance of this group is probably due to the fact that inside salesmen also have other duties, the individual employee falling into that classification which demands the largest portion of his time. Warehouse employees account for about one-third of total workers in the smaller size group and their number rises until they represent about two-fifths of the total in the largest size classification. Similarly, their share of the pay roll rises from just over one-fifth to an amount slightly above one-fourth. "Other" employees vary from one size group to another, due mainly to the business structure of particular wholesale merchants with the largest size group ($3,000,000 and over) having relatively the the largest number (10.7%). On the whole, the average figures for all size groups (7.4% for employees and 5.5% of pay roll) are fairly representative. Warehouse and "other" employees receive an annual remuneration of just over $20 per week. This remuneration is the lowest of all occupational groups because these workers are occupied mainly with the physical handling of goods.

When warehouse and "other" employees are combined, their importance rises from two-fifths of total workers in the smallest size group to about one-half of the total in the two largest size groups. The high remuneration ($36) for the small number (2.8%) of other employees hired by those houses with a sales volume between $2,000,000 and $3,000,000 probably indicates that these houses classified all of their workers actually handling merchandise as warehouse employees and that those classified as "other" employees were specialists who fitted no specific classification (such as laboratory workers) or individuals who split their time in such a manner that their salaries could not be allocated to any one group. When the large "other" expenses of the houses doing a volume over $3,000,000 is considered (see Table 14) in conjunction with the large number of "other" employees (10.7%), it appears that the very large houses are emphasizing certain activities which are less significant for the smaller wholesale merchants. An examination of the schedules shows that many of these "other" employees were laboratory workers.

CREDIT SALES

On the wholesale schedule, each establishment was requested to report that portion of its total business which was done on a credit basie; i. e., sales made on weekly terms, 10-day basis, 30-day basie, and end-of-month terms, and on any other basie that did not involve the immediate payment of cash on the receipt of goods. C. O. D. and similar sales were claeeed as cash sales. The term "credit," therefore, includes all sales made on any basis other than strictly cash.

Some establishments were unable to report the proportion of their total sales which was done on credit. Similarly, the information turned in by a few establishmente was not in usable form. Nor could a distinction be made between those doing no credit business and those selling on credit but failing to report. Of the 1,563 full-service and limited-function wholesalers in the drug trade, 1,020 reported credit sales, while 543 fell into one of the three classifications already noted. In Tables 20 and 21, the total number and net sales for all establishments are given as well as the data for those establiehments which reported credit sales. In this way, it is possible to determine the adequacy of the eample which is analyzed. It ehould not be aseumed, in any caee, that all firms which did not report credit sales sold strictly for cash. Rather, in the drug trade, there is every reason to believe that a strictly cash buainese is exceptional.

Summary of Credit Sales.-As regards establishments which operated upon a credit basis, credit sales amounted to 87.5 percent of total eales for full-service and limited-function wholeealers and 98.5 percent for manufacturers' sales branches. This clearly indicates, as shown in Tables 20 and 21, that the wholesale selling of drug merchandise is substantially a credit buainese. Full-service and limited-function wholesalere are broken into 5 groups in Table 19, and the houses handling a full-line of drug items did 86.7 percent of their business on a credit basis while establishments limiting their merchandise to drug specialties did four-fifths (82.4%) of their business on credit. Wholesalers falling into the other three specialty classifications did over nine-tenths of their business on credit. Manufacturers' sales branches which reported credit salee made practically all of their salee (97.7 to 99.3%) on a credit basis. It ie apparent, therefore, that the wholesaling of drug iteme is regularly done on credit. This is further demonstrated when the geographic divisione are examined individually. In no case do the credit sales fall below 70 percent of total sales for those establishments reporting credit business (specialty line full-service and limited-function wholesalers in the East South Central division 70.1%). Although Table 21 does ehow a variation between the geographic divisions, a careful examination of this table conclueively shows that full-service and limited-function wholesalers did between four-fifths and nine-tanths of their business on credit and that manufacturers' sales branches ordinarily transacted over nineteen-twentieths or practically all of their business on a credit basis.

The ratio which total expenaee bear to net sales is also given in Table 20 both for all establishments and for those reporting credit sales. These expense ratios are useful in indicating whether it was high or low cost operators who were able to segregate their sales done on credit. There is no justification for assuming that all of the concerns not reporting operated upon a cash basie, and, on this account, had low costs.

TABLE 20.--CREDIT SALES BY DETAILED KINDS OF BUSINESS
FULL-SERVICE AND LIMITED-FUNCTION WHOLESALERS AND
MANUFACTURERS' SALES BRANCHES

(all values are expressed in thousands of dollars)

	All Establishments			Establishments Reporting Credit Sales				
	Number	Net sales	Total expenses % to net sales	Number	Net sales	Total expenses % to net sales	Credit sales	% credit sales to net sales
UNITED STATES TOTAL	1,833	$576,050	17.5	1,187	$449,340	18.6	$404,835	90.1
Full-service and limited-function wholesalers	1,563	447,582	15.0	1,020	341,888	15.6	299,031	87.5
Full-line	295	324,113	12.7	248	254,960	13.5	221,173	86.7
Drug specialties	342	29,554	16.4	224	22,202	16.2	18,297	82.4
Patent medicines	215	21,995	13.7	128	9,650	22.4	8,982	93.1
Toilet articles and preparations	426	40,671	27.4	245	25,945	29.4	24,217	93.3
All other	285	31,249	18.1	175	29,131	17.9	26,362	90.5
Manufacturers' Sales Branchee	270	128,468	26.5	167	107,452	28.2	105,804	98.5
Drug specialties	115	73,163	23.6	100	63,495	24.6	62,453	98.4
Patent medicines	38	23,391	36.3	23	18,385	42.7	17,958	97.7
Toilet articles and preparations	99	27,153	26.8	30	20,899	28.1	20,753	99.3
All other	18	4,761	21.2	14	4,673	21.2	4,640	99.3

TABLE 21.--CREDIT SALES

Full-Service and Limited-Function Wholesalers and Manufacturers' Sales Branches
Kinds of Business and Geographic Divisions

KIND OF BUSINESS	All establishments		Establishments reporting credit sales			
					Credit sales	
	Number	Net sales (add 000)	Number	Sales (cash and credit) (add 000)	Amount (add 000)	Per-cent
UNITED STATES TOTAL	1,833	$576,050	1,187	$449,340	$404,835	90.1
Drugs (full-line)						
Full-service and limited-function wholesalers	295	324,113	248	254,960	221,173	86.7
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	1,268	123,469	772	86,928	77,858	89.6
Manufacturers' sales branches	270	128,468	167	107,452	105,804	98.5
New England	92	30,473	58	17,028	15,433	90.6
Drugs (full-line)						
Full-service and limited-function wholesalers	23	x	17	13,757	12,417	90.3
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	53	x	34	1,683	1,470	87.3
Manufacturers' sales branches	16	1,944	7	1,588	1,546	97.4
Middle Atlantic	629	183,620	437	141,958	132,990	93.7
Drugs (full-line)						
Full-service and limited-function wholesalers	39	52,734	34	37,362	32,144	86.0
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	497	59,314	344	43,708	40,771	93.3
Manufacturers' sales branches	93	71,572	59	60,888	60,075	98.7
East North Central	351	109,147	199	86,629	75,983	87.7
Drugs (full-line)						
Full-service and limited-function wholesalers	50	61,157	38	49,376	41,858	84.8
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	249	26,758	134	21,903	18,951	86.5
Manufacturers' sales branches	52	21,232	27	15,350	15,174	98.9
West North Central	149	60,356	99	46,201	40,206	87.0
Drugs (full-line)						
Full-service and limited-function wholesalers	32	45,521	27	33,562	28,334	84.4
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	91	5,396	52	4,019	3,371	83.9
Manufacturers' sales branches	26	9,439	20	8,620	8,501	98.6
South Atlantic	169	53,795	112	33,188	28,473	85.8
Drugs (full-line)						
Full-service and limited-function wholesalers	53	35,202	43	24,355	20,594	84.6
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	98	13,446	57	4,177	3,354	80.3
Manufacturers' sales branches	18	5,147	12	4,656	4,525	97.2

X Figures withheld to avoid disclosure of individual operations.

Census of Business: 1935

TABLE 21.--CREDIT SALES

Full-Service and Limited-Function Wholesalers and Manufacturers' Sales Branches
Kinds of Business and Geographic Divisions

KIND OF BUSINESS	All establishments		Establishments reporting credit sales			
					Credit sales	
	Number	Net sales (add 000)	Number	Sales (cash and credit) (add 000)	Amount (add 000)	Per-cent
East South Central	83	$24,064	52	$21,297	$19,218	90.2
Drugs (full-line)						
Full-service and limited-function wholesalers	27	17,264	22	15,463	13,553	87.6
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	47	2,026	25	1,150	1,012	88.0
Manufacturers' sales branches	9	4,774	5	4,684	4,653	99.3
West South Central	114	35,790	74	34,227	29,245	85.4
Drugs (full-line)						
Full-service and limited-function wholesalers	30	26,672	29	x	x	85.6
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	68	4,164	32	3,234	2,267	70.1
Manufacturers' sales branches	16	4,954	13	x	x	95.0
Mountain	37	13,584	27	11,019	10,297	93.4
Drugs (full-line)						
Full-service and limited-function wholesalers	17	x	16	x	x	93.3
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	16	x	8	535	515	96.3
Manufacturers' sales branches	4	x	3	x	x	96.0
Pacific	209	65,221	129	57,793	52,990	91.7
Drugs (full-line)						
Full-service and limited-function wholesalers	24	47,192	22	x	x	90.3
Drugs and drug sundries (specialty lines)						
Full-service and limited-function wholesalers	149	8,797	86	6,519	6,147	94.3
Manufacturers' sales branches	36	9,232	21	x	x	98.2

X Figures withheld to avoid disclosure of individual operations.

DISTRIBUTION OF SALES.

Of the 2,004 drug wholesalers in the country, 1,754 were able to allocate their sales to various distributive channels which were listed on the wholesale schedule. These establishments which reported distribution of sales did over four-fifths (85.1%) of the drug business. The lowest proportion of usable reports was received from agents and brokers and even here, 76.0 percent of the total sales were distributed. When the various geographic divisions of the country and the 13 largest cities are considered, it is found that, with very minor exceptions, three-fourths of the total business is allocated to distributive channels, particularly in the case of full-service and limited-function wholesalers.

Full-service and limited-function wholesalers who handle a full line of merchandise did nineteen-twentieths (96.2%) of their business with retailers, the remainder being split between sales to industrial consumers (2.8%), to other wholesalers (0.6%), to household consumers (0.3%) and for export (0.1%). When the geographic divisions are examined separately it is found that these full-line houses do at least nine-tenths of their business with retailers in each division. The same situation exists as regards the 13 cities given in Table 23. The conclusion, therefore, is that full-line drug houses deal almost exclusively with retailers, probably making sales to industrial consumers, household consumers, and for export only as an accommodation and without particular emphasis. In the case of sales to other wholesalers, the volume rises slightly from the national average of six-tenths of one percent in the case of a few of the largest cities (2.3% in Milwaukee). This is probably due to the fact that very large full-line drug establishments in the biggest cities handle a more complete line of merchandise than smaller houses in less large cities. This qualification, however, is of a very minor nature and the full-line drug house can be said to limit its market primarily to retailers.

In the case of drug specialties, full-service and limited-function wholesalers make seven-tenths (69.5%) of their sales to retailers, and one-seventh (14.3%) to industrial consumers, while one-ninth (11.1%) goes to other wholesalers and incidental amounts to household consumers (3.4%) and for export (1.7%). In the case of patent medicines, toilet articles and preparations, and drug sundries, full-service and limited-function wholesalers do between three-fifths and four-fifths of their total business with retailers which are their primary market, even though they make larger sales to other wholesalers and to industrial consumers than do full-line houses. From the data given in Table 22, similar comparisons for the other types of operation can be made for each of the detailed lines of merchandise listed on the wholesale schedule (see Appendix). Additional comparisons can be made between the geographic divisions and the 13 largest cities from the information given in Table 23. The variations, as might be expected, are greater for the specialty houses than for those handling a full line of drug merchandise. In using the information, it should be remembered that the validity of comparisons is limited when the number of houses, although not a disclosure, is small.

TABLE 22.--SALES BY CLASSES OF CUSTOMERS
DETAILED KINDS OF BUSINESS AND TYPES OF OPERATION

(all values are expressed in thousands of dollars)

Kind of Business / Type of Operation	All Establishments		Establishments Reporting Distributed Sales			Distributed Sales											
				Net Sales		Total		To Retailers		To Household Consumers		To Industrial Users		To Wholesalers		Export Sales	
	Number	Net Sales	Number	Amount	% to sales of all estab.	Amount	% to total	Amount	% to total	Amount	% to total	Amount	% to total	Amount	% to total	Amount	% to total
FULL LINE	295	$324,113	274	$286,760	88.5	$286,760	100.0	$275,951	96.2	$922	.3	$7,997	2.8	$1,779	.6	$111	.1
Full-service and limited-function wholesalers	295	324,113	274	286,760	88.5	286,760	100.0	275,951	96.2	922	.3	7,997	2.8	1,779	.6	111	.1
DRUG SPECIALTIES	501	116,513	423	90,879	78.0	90,879	100.0	49,839	54.8	842	.9	14,632	16.1	23,620	26.1	1,946	2.1
Full-service and limited function wholesalers	342	29,554	295	24,953	84.4	24,953	100.0	17,351	69.5	836	3.4	3,579	14.3	2,776	11.1	411	1.7
Manufacturers' sales branches	115	73,163	94	53,991	73.8	53,991	100.0	26,422	48.9	4	--	8,705	16.1	17,817	33.0	1,043	2.0
Manufacturers' sales offices	6	3,431	6	3,431	100.0	3,431	100.0	2,097	61.1	--	--	692	20.2	642	18.7	--	--
Agents and brokers	38	10,365	28	8,504	82.0	8,504	100.0	3,969	46.7	2	--	1,656	19.5	2,385	28.0	492	5.8
PATENT MEDICINES	275	49,297	237	35,757	72.5	35,757	100.0	19,710	55.2	211	.6	445	1.2	14,032	39.2	1,359	3.8
Full-service and limited-function wholesalers	215	21,995	190	12,780	58.1	12,780	100.0	8,161	63.8	178	1.4	125	1.0	3,521	27.6	795	6.2
Manufacturers' sales branches	38	23,391	29	19,207	82.1	19,207	100.0	10,461	54.5	33	.2	100	.5	8,222	42.8	391	2.0
Manufacturers' sales offices	1	48	1	48	100.0	48	100.0	--	--	--	--	48	100.0	--	--	--	--
Agents and brokers	21	3,863	17	3,722	96.3	3,722	100.0	1,088	29.2	--	--	172	4.6	2,289	61.5	173	4.7
TOILET ARTICLES AND PREPARATIONS	606	80,795	530	73,159	90.5	73,159	100.0	59,015	80.7	153	.2	3,468	4.7	10,166	13.9	357	.5
Full-service and limited-function wholesalers	426	40,671	376	37,755	92.8	37,755	100.0	31,184	82.6	82	.2	1,865	4.9	4,349	11.5	275	.8
Manufacturers' sales branches	99	27,153	86	23,966	88.3	23,966	100.0	19,271	80.4	70	.3	1,319	5.5	3,252	13.6	54	.2
Manufacturers' sales offices	22	6,023	22	6,023	100.0	6,023	100.0	4,136	68.7	--	--	6	.1	1,880	31.2	1	--
Agents and brokers	59	6,948	46	5,415	77.9	5,415	100.0	4,424	81.7	1	--	278	5.1	685	12.7	27	.5
DRUG SUNDRIES	327	42,166	284	34,990	83.0	34,990	100.0	21,286	60.8	100	.3	823	2.3	12,511	35.8	270	.8
Full-service and limited-function wholesalers	285	31,249	248	27,059	86.6	27,059	100.0	16,488	60.9	92	.3	572	2.1	9,647	35.7	260	1.0
Manufacturers' sales branches	18	4,761	16	4,700	98.7	4,700	100.0	3,637	77.4	8	.2	--	--	1,055	22.4	--	--
Manufacturers' sales offices	2	438	2	438	100.0	438	100.0	104	23.8	--	--	230	52.4	104	23.8	--	--
Agents and brokers	22	5,718	18	2,793	48.8	2,793	100.0	1,057	37.8	--	--	21	.8	1,705	61.0	10	.4

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TABLE 23.--SALES BY CLASSES OF CUSTOMERS
TYPES OF OPERATION FOR GEOGRAPHIC DIVISIONS AND 13 CITIES

(all values are expressed in thousands of dollars)

Geographical Divisions and Cities	All Establishments		Establishments Reporting Distributed Sales			Distributed Sales				
				Net Sales						
	Number	Net Sales	Number	Amount	% of sales of all estab.	% to Retailers	% to Household Consumers	% to Industrial users	% to Wholesalers	% Export sales
UNITED STATES TOTAL	2,004	$612,884	1,754	$521,545	85.1	81.7	.4	5.2	11.9	.8
Full-line										
Full-service and limited-function wholesalers	295	324,113	274	286,760	88.5	96.2	.3	2.8	.6	.1
Specialty line										
Full-service and limited-function wholesalers	1,268	123,469	1,115	102,547	83.1	71.4	1.1	6.0	19.8	1.7
Manufacturers' sales branches	270	128,468	225	101,864	79.3	58.7	.1	9.9	29.8	1.5
Manufacturers' sales offices	31	9,940	31	9,940	100.0	63.8	--	9.8	26.4	--
Agents and brokers	140	26,894	109	20,434	76.0	51.6	--	10.4	34.6	3.4
NEW ENGLAND	95	30,524	81	16,431	53.8	87.9	.8	7.4	3.9	--
Full-line										
Full-service and limited-function wholesalers	23	x	18	12,793	50.1	92.9	.8	6.1	.2	--
Specialty line										
Full-service and limited-function wholesalers	53	x	45	2,243	75.3	66.8	1.9	12.8	18.5	--
Manufacturers' sales branches	16	1,944	15	1,344	69.1	77.7	--	8.2	14.1	--
Manufacturers' sales offices	--	--	--	--	--	--	--	--	--	--
Agents and brokers	3	51	3	51	100.0	43.1	--	56.9	--	--
MIDDLE ATLANTIC	709	206,891	619	184,038	89.0	70.8	.4	8.1	18.8	1.9
Full-line										
Full-service and limited-function wholesalers	39	52,734	39	52,734	100.0	98.3	--	1.5	.2	--
Specialty line										
Full-service and limited-function wholesalers	497	59,314	438	53,075	89.5	68.0	1.0	8.6	19.6	2.8
Manufacturers' sales branches	93	71,572	78	59,372	83.0	53.4	.1	12.8	31.4	2.3
Manufacturers' sales offices	16	5,453	16	5,453	100.0	66.5	--	--	33.5	--
Agents and brokers	64	17,818	48	13,404	75.2	52.9	--	14.5	27.6	5.0
EAST NORTH CENTRAL	380	115,835	335	102,293	88.3	85.1	.6	4.4	9.8	.1
Full-line										
Full-service and limited-function wholesalers	50	61,157	46	57,349	93.8	96.0	.4	3.2	.4	--
Specialty line										
Full-service and limited-function wholesalers	249	26,758	220	23,064	86.2	76.0	1.6	4.2	17.6	.6
Manufacturers' sales branches	52	21,232	43	15,994	75.3	70.5	--	4.3	25.2	--
Manufacturers' sales offices	8	3,926	8	3,926	100.0	57.2	--	24.1	18.7	--
Agents and brokers	21	2,762	18	1,960	71.0	48.4	.1	2.3	49.1	.1
WEST NORTH CENTRAL	160	60,830	137	48,482	79.7	88.5	.3	3.7	7.5	--
Full-line										
Full-service and limited-function wholesalers	32	45,521	30	36,955	81.2	95.7	.3	3.2	.8	--
Specialty line										
Full-service and limited-function wholesalers	91	5,396	80	4,698	87.1	74.9	.7	1.5	22.8	.1
Manufacturers' sales branches	26	9,439	21	6,615	70.1	60.1	--	7.5	32.4	--
Manufacturers' sales offices	--	--	--	--	--	--	--	--	--	--
Agents and brokers	11	474	6	214	45.1	22.9	--	18.7	58.4	--

X - Figures withheld to avoid disclosure of individual operations.

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TABLE 23.--SALES BY CLASSES OF CUSTOMERS
TYPES OF OPERATION FOR GEOGRAPHIC DIVISIONS AND 13 CITIES

(all values are expressed in thousands of dollars)

Geographical Divisions and Cities	All Establishments		Establishments Reporting Distributed Sales			Distributed Sales				
				Net Sales						
	Number	Net Sales	Number	Amount	% of sales of all estab.	% to Retailers	% to Household Consumers	% to Industrial users	% to Wholesalers	% Export-sales
SOUTH ATLANTIC	175	$53,850	149	$37,624	69.9	91.6	.2	1.7	6.4	.1
Full-line										
Full-service and limited-function wholesalers	53	35,202	48	28,966	82.3	97.7	.3	1.4	.6	--
Specialty line										
Full-service and limited-function wholesalers	98	13,446	82	5,062	37.6	86.1	.6	.6	12.2	.5
Manufacturers' sales branches	18	5,147	15	3,557	69.1	50.3	--	5.1	44.6	--
Manufacturers' sales offices	1	12	1	12	100.0	100.0	--	--	--	--
Agents and brokers	5	43	3	27	62.8	55.6	--	11.1	33.3	--
EAST SOUTH CENTRAL	85	25,067	78	23,315	93.0	86.8	.5	3.3	8.8	.6
Full-line										
Full-service and limited-function wholesalers	27	17,264	25	15,977	92.5	94.6	.4	3.1	1.9	--
Specialty line										
Full-service and limited-function wholesalers	47	2,026	43	1,565	77.2	79.1	2.8	.1	16.2	1.8
Manufacturers' sales branches	9	4,774	8	4,770	99.9	81.8	.2	5.7	10.0	2.3
Manufacturers' sales offices	--	--	--	--	--	--	--	--	--	--
Agents and brokers	2	1,003	2	1,003	100.0	--	--	--	100.0	--
WEST.SOUTH CENTRAL	118	35,931	105	32,134	89.4	89.3	.3	1.2	9.2	--
Full-line										
Full-service and limited-function wholesalers	30	26,672	28	24,675	92.5	98.9	--	.5	.5	.1
Specialty line										
Full-service and limited-function wholesalers	68	4,164	61	4,059	97.5	65.0	2.0	--	33.0	--
Manufacturers' sales branches	16	4,954	12	3,259	65.8	46.7	--	7.5	45.8	--
Manufacturers' sales offices	--	--	--	--	--	--	--	--	--	--
Agents and brokers	4	141	4	141	100.0	86.5	--	11.4	2.1	--
MOUNTAIN	37	13,584	34	10,872	80.0	96.1	1.4	1.9	.5	.1
Full-line										
Full-service and limited-function wholesalers	17	x	16	10,119	78.9	95.9	1.5	2.0	.5	.1
Specialty line										
Full-service and limited-function wholesalers	16	x	15	589	99.8	99.8	--	--	.2	--
Manufacturers' sales branches	4	174	3	164	94.3	100.0	--	--	--	--
Manufacturers' sales offices	--	--	--	--	--	--	--	--	--	--
Agents and brokers	--	--	--	--	--	--	--	--	--	--
PACIFIC	245	70,372	216	66,356	94.3	86.2	.4	4.5	8.6	.3
Full-line										
Full-service and limited-function wholesalers	24	47,192	24	47,192	100.0	93.9	.4	4.5	1.0	.2
Specialty line										
Full-service and limited-function wholesalers	149	8,797	131	8,192	93.1	69.9	.5	2.8	26.1	.7
Manufacturers' sales branches	36	9,232	30	6,789	73.5	65.0	.5	8.4	26.1	--
Manufacturers' sales offices	6	549	6	549	100.0	82.0	--	5.8	12.2	--
Agents and brokers	30	4,602	25	3,634	79.0	63.1	.1	1.2	34.9	.7

X - Figures withheld to avoid disclosure of individual operations.

TABLE 23.--SALES BY CLASSES OF CUSTOMERS

TYPES OF OPERATION FOR GEOGRAPHIC DIVISIONS AND 13 CITIES

(all values are expressed in thousands of dollars)

Geographical Divisions and Cities	All Establishments		Establishments Reporting Distributed Sales			Distributed Sales				
				Net Sales						
	Number	Net Sales	Number	Amount	% of sales of all estab.	% to Retailers	% to Household Consumers	% to Industrial users	% to Wholesalers	% Export-sales
Total, 13 cities	1,116	$338,165	963	$278,570	82.4	73.6	.4	7.2	17.5	1.3
Full-line										
Full-service and limited-function wholesalers	60	125,968	50	100,609	79.9	95.8	.2	3.2	.7	.1
Specialty lines										
Full-service and limited-function wholesalers	760	83,639	670	75,778	90.6	68.4	1.0	7.3	21.1	2.2
Manufacturers' sales branches	160	97,642	130	77,651	79.5	55.6	.2	11.4	31.3	1.5
Manufacturers' sales offices	26	6,646	26	6,646	100.0	64.3	--	4.6	31.1	--
Agents and brokers	110	24,270	87	17,886	73.7	52.4	--	11.4	32.4	3.8
Baltimore	31	6,857	24	4,017	58.6	91.5	.2	.6	7.6	.1
Full-line										
Full-service and limited-function wholesalers	3	3,278	2	x	56.5	99.2	.4	--	.4	--
Specialty lines										
Full-service and limited-function wholesalers	22	x	19	x	90.5	95.6	--	--	4.0	.4
Manufacturers' sales branches	5	1,885	3	643	34.1	59.4	--	4.1	36.5	--
Agents and brokers	1	x	--	--	--	--	--	--	--	--
Boston	35	16,283	30	5,718	35.1	84.3	--	8.3	7.4	--
Full-line										
Full-service and limited-function wholesalers	4	13,538	1	x	26.7	96.2	--	3.0	.8	--
Specialty lines										
Full-service and limited-function wholesalers	20	923	19	875	94.8	48.9	--	25.7	25.4	--
Manufacturers' sales branches	8	1,771	7	x	66.1	75.7	--	9.5	14.8	--
Agents and brokers	3	51	3	51	100.0	43.1	--	56.9	--	--
Buffalo	12	6,014	9	5,593	93.0	93.9	--	.8	4.3	1.0
Full-line										
Full-service and limited-function wholesalers	2	5,542	7	5,542	100.0	94.1	--	.8	4.1	1.0
Specialty lines										
Full-service and limited-function wholesalers	5									
Manufacturers' sales branches	4	x	2	51	10.9	78.4	--	--	21.6	--
Agents and brokers	1	x	--	--	--	--	--	--	--	--
Chicago	148	51,115	131	42,765	83.7	79.3	.6	3.0	16.9	.2
Full-line										
Full-service and limited-function wholesalers	10	19,515	9	17,697	90.7	97.5	.1	2.2	.2	--
Specialty lines										
Full-service and limited-function wholesalers	96	13,334	88	12,271	92.0	71.1	1.9	2.4	23.9	.7
Manufacturers' sales branches	21	15,120	16	10,453	69.1	64.9	--	5.2	29.9	--
Manufacturers' sales offices	5	506	5	506	100.0	52.6	--	1.4	46.0	--
Agents and brokers	16	2,640	13	1,838	69.6	50.4	--	1.7	47.9	--
Cleveland	29	6,026	23	5,341	88.6	89.0	--	10.0	1.0	--
Full-line										
Full-service and limited-function wholesalers	3	4,110	3	4,110	100.0	97.2	--	2.8	--	--
Specialty lines										
Full-service and limited-function wholesalers	19	1,029	13	344	33.4	66.6	--	24.7	8.7	--
Manufacturers' sales branches	6	x	6	x	100.0	80.8	--	16.0	3.2	--
Manufacturers' sales offices	1	x	1	x	100.0	--	--	100.0	--	--
Detroit	44	8,670	41	8,540	98.5	93.5	--	3.5	3.0	--
Full-line										
Full-service and limited-function wholesalers	5	6,204	34	6,193	99.8	92.1	--	4.0	3.9	--
Specialty lines										
Full-service and limited-function wholesalers	30									
Manufacturers' sales branches	7	2,400	5	2,281	95.0	99.3	--	--	.7	--
Manufacturers' sales offices	1	x	1	x	100.0	--	--	100.0	--	--
Agents and brokers	1	x	1	x	100.0	100.0	--	--	--	--

x - Withheld to avoid disclosure

Census of Business: 1935

TABLE 23.--SALES BY CLASSES OF CUSTOMERS

TYPES OF OPERATION FOR GEOGRAPHIC DIVISIONS AND 13 CITIES

(all values are expressed in thousands of dollars)

Geographical Divisions and Cities	All Establishments		Establishments Reporting Distributed Sales			Distributed Sales				
				Net Sales						
	Number	Net Sales	Number	Amount	% of sales of all estab.	% to Retailers	% to Household Consumers	% to Industrial users	% to Wholesalers	% Export-sales
Los Angelee	101	$25,469	86	$24,765	97.2	84.7	.6	4.7	9.6	.4
Full-line										
Full-service and limited-function wholesalere	5	17,898	5	17,898	100.0	92.7	.6	5.2	1.3	.2
Specialty linee										
Full-service and limited-function wholesalere	67	4,793	56	4,540	94.7	59.8	.3	2.1	36.6	1.2
Manufacturers' eales branchee	10	1,305	9	1,110	85.1	70.5	3.0	8.7	17.8	--
Manufacturers' sales officee	2	x	2	x	100.0	84.7	--	10.2	5.1	--
Agents and brokers	17	x	14	x	79.7	68.8	--	2.7	27.3	1.2
Milwaukee	15	5,534	13	4,256	76.9	87.9	1.1	9.0	2.0	--
Full-line										
Full-service and limited-function wholesalere	4	4,804	3	3,532	73.5	95.5	1.0	1.2	2.3	--
Specialty lines										
Full-service and limited-function wholesalers	11	730	10	724	99.2	50.4	1.4	47.6	.6	--
New York City	534	151,321	462	131,050	86.6	62.1	.4	9.8	25.2	2.5
Full-line										
Full-service and limited-function wholesalere	11	14,087	9	11,520	81.8	98.7	.1	1.0	.2	--
Specialty lines										
Full-service and limited-function wholesalers	395	52,444	363	48,272	92.0	69.1	.9	8.0	19.0	3.0
Manufacturere' eales branchee	61	62,918	54	53,705	85.4	49.9	.1	13.5	34.3	2.2
Manufacturere' salee officee	13	4,903	13	4,903	100.0	62.8	--	--	37.2	--
Agents and brokers	54	16,969	43	12,650	74.5	53.3	--	12.8	28.1	5.3
Philadelphie	42	14,616	35	14,031	96.0	88.9	.1	7.0	4.0	--
Full-line										
Full-service and limited-function wholesalere	2	11,656	25	11,432	98.1	93.3	.1	4.0	2.6	--
Specialty linee										
Full-service and limited-function wholesalere	28									
Manufacturere' ealee branches	6	1,633	5	1,342	82.2	75.3	--	15.0	9.7	--
Manufacturere' eales offices	1	x	1	x	100.0	100.0	--	--	--	--
Agente and brokers	5	x	4	x	91.5	38.3	--	44.1	17.6	--
Pittsburgh	16	5,058	10	3,897	77.0	91.1	.2	7.0	1.7	--
Full-line										
Full-service end limited-function wholesalere	2	4,238	8	3,810	89.9	91.2	.2	7.2	1.4	--
Specialty lines										
Full-service and limited-function wholesalers	9									
Manufacturere' eales branches	5	820	2	87	10.6	87.4	--	--	12.6	--
St. Louis	37	18,233	26	8,501	46.6	79.0	.3	5.7	15.1	--
Full-line										
Full-service and limited-function wholesalers	5	14,381	3	6,023	42.0	92.4	.2	5.8	1.6	--
Specialty linee										
Full-eervice and limited-function wholeealers	22	1,619	16	1,130	69.8	41.3	.3	1.0	57.3	.1
Manufacturers' eales branchee	8	x	6	x	66.7	49.0	--	9.2	41.8	--
Agents and brokers	2	x	1	x	16.1	100.0	--	--	--	--
San Francieco	72	22,969	63	20,096	87.5	78.9	.2	5.8	14.8	.3
Full-line										
Full-service and limited-function wholeselere	4	10,770	4	10,770	100.0	91.6	.1	6.5	1.3	.5
Specialty linee										
Full-service and limited-funotion wholeeelere	36	3,032	33	2,709	89.3	79.5	1.0	2.3	17.0	.2
Manufacturere' eales branches	19	6,712	15	4,848	72.2	62.2	--	8.2	29.6	--
Manufacturere' salee offices	3	237	3	237	100.0	100.0	--	--	--	--
Agente and brokere	10	2,218	8	1,532	69.1	38.5	.1	--	61.4	--

X - Withheld to avoid disclosure

COMMODITY SALES OF DRUG WHOLESALERS

Each drug wholesaler was asked to analyze his sales into the commodity classifications which are shown in the wholesale schedule (see Appendix). Total net sales in the drug trade amounted to $612,884,000 and a commodity analysis was received from wholesalers whose sales totalled $502,594,000 or 82.0% (commodity coverage) of total sales. For wholesalers handling a full-line of drug merchandise, the commodity coverage was 72.4%. In the case of specialty lines, commodity coverage was 94.1% for full-service and limited-function wholesalers, 95.4% for manufacturers' sales branches, 65.4% for manufacturers' sales offices and 84.7% for agents and brokers. While the commodity coverage is not complete in some of the classifications, the data presented in Table 24 represent a very substantial proportion of the total drug business, approximately two-thirds (65.4%) in the group with the lowest coverage.

A brief summary of the commodity sales of drug wholesalers is shown in Table 24 for full-line merchant wholesalers and the four types of operation which appear in the specialty field. The sales of full-service and limited-function wholesalers carrying a full-line of drug merchandise were composed very largely (80.3%) of drugs and drug sundries. At these full-line houses were, in many instances, unable to segregate toilet articles and preparations from the more strictly drug commodities, the drugs and drug sundries and toilet articles and preparations classifications have been combined for full-line houses. In addition, houses reporting sales of drug merchandise found it very difficult to analyze the broad classification of drugs and drug sundries into detailed types of commodities. Of the total reported sales ($188,289,000), of drugs and drug sundries, houses accounting for two-thirds of this volume ($128,519,000) were unable to allocate the sales of proprietary medicines, druggists' rubber goods and similar detailed commodity lines, although they were able to distinguish satisfactorily the non-drug items (liquors, cigarette, etc.) from their sales of drugs and drug sundries.

Only 87 establishments with sales of $67,807,000, for example, were able to segregate their sales of druggists' rubber goods which amounted to $1,842,000 or 2.7% of their sales. Similarly, drugs, chemicals and pharmaceuticals amounted to 22.3% of the sales of the 94 establishments reporting this classification separately. Similarly, for the firms able to report itemized sales, proprietary medicines amounted to 37.2% of total sales, drug sundries 14.1%, toilet articles 4.0%, toilet preparations 8.6%, toilet soaps 2.1%, other soaps 1.7%. Although the samples for these individual commodity items are small, an attempt was made to have them as representative as possible.

The non-drug items handled by full-line merchant wholesalers amounted to 18.8% of total sales while service receipts accounted for nine-tenths of 1%. The most important non-drug item was liquors. For the 21 houses which reported handling liquors, the sale of this commodity amounted to slightly over one-tenth (11.4%) of their sales. Other non-drug commodities handled by full-line wholesalers were: wines (1.7%), beer and other malt liquors (4.9%), confectionery and ice cream (4.7%), industrial and heavy chemicals (5.4%), animal and vegetable oils (2.6%), paints and varnishes (3.7%), electrical appliances (2.7%), industrial equipment and supplies (9.8%), office and store machines and equipment (0.9%), surgical, dental, and hospital equipment (6.1%), and tobacco products (5.2%). Sales not itemized, including minor miscellaneous commodities, are listed under the heading, "Amount not itemized".

A similar analysis can be made for specialty line houses in each of the four types of operation. In this manner, it is possible to discover the line of merchandise most commonly handled by drug wholesalers. In the case of the individual wholesaler who wishes to expand the line of merchandise which he handles, it is possible to learn what commodities are most commonly handled by similar establishments in the drug trade and what proportion of their total business is accounted for by such items.

The sales of drugs and drug sundries by non-drug wholesalers are shown in Table 25. Agents and brokers in the general merchandise field made 3.8 percent of their sales in drug items while general merchandise full-service and limited-function wholesalers sold drug products equalling 1.6 percent of sales. Manufacturers' sales branches of machinery, equipment, and supplies also reported 1.6 percent of sales in drug items. Outside of these three exceptions, drugs and drug sundries accounted for less than one percent of the sales of all reporting non-drug wholesalers.

Soaps and toiletries have been listed separately in Table 25 and, because of the large quantity of "other" soaps (such as laundry soap, soap powder, etc., which are of a non-drug nature) reported by several classes of wholesalers, "other" soaps have not been included. In the case of toilet articles, toilet preparations and toilet soaps, sales by non-drug wholesalers were under two percent of reported commodity sales except in the case of manufacturers' sales offices (10.2%) in the specialty grocery field and agents and brokers (2.8%) in the tobacco trade. Drug merchandise is thus seen to be handled almost entirely through wholesalers specializing in this field. No group of non-drug wholesalers reported as much as one-twentyfifth of their sales in drugs and drug sundries and most classifications showed under one percent of sales in the drug items. It is known, however, that the commodity reports frequently did not list minor items because wholesale records are not kept in a manner which makes this feasible. To some extent, therefore, the sales of drug items by non-drug wholesalers is underetated. Similarly, a full-line drug wholesalers handling, for example, small amounts of confectionery or paint might include such items under drug sundries. As a result, the commodity information is only approximate, although it is believed to present a dependable picture of the sales of drug merchandise.

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TABLE 24.-- COMMODITY SALES OF DRUG WHOLESALERS

(Only those establishments reporting sales by commodities are included in this tabulation.)

TYPE OF OPERATION (AND COMMODITIES SOLD BY EACH)	Establishments selling specified commodity: Number	Establishments selling specified commodity: Total net sales (A) (add 000)	% of commodity to total net sales 1/	Sales of Commodity: Amount (B) (add 000)	Sales of Commodity: Percent 2/
FULL-SERVICE AND LIMITED-FUNCTION WHOLESALERS					
DRUGS (FULL LINE)					
Total number of establishments	295				
Total net sales		$324,113			
Establishments reporting commodity sales	201				
Reported commodity sales				$234,515	
Percent to total net sales			72.4		100.0
DRUGS AND DRUG SUNDRIES	201	234,515	80.3	188,289	80.3
Druggists' rubber goods	87	67,807	2.7	1,842	.8
Drugs, chemicals and pharmaceuticals	94	70,021	22.3	15,625	6.7
Proprietary medicines	94	70,021	37.2	26,070	11.1
Drug sundries (except soap)	71	57,709	14.1	8,162	3.5
Toilet articles	71	52,470	4.0	2,098	.9
Toilet preparstions (except soap)	74	53,273	8.6	4,565	1.9
Tcilet soaps	69	48,516	2.1	1,040	.4
Other soaps	32	21,949	1.7	368	.2
Amount not itemized	--	--	--	128,519	54.8
NON-DRUG ITEMS	--	--	--	44,094	18.8
Liquors	21	22,106	11.4	2,529	1.1
Wines	15	19,625	1.7	331	.1
Beer and other malt liquors	3	4,988	4.9	244	.1
Confectionery and ice cream	47	49,956	4.7	2,336	1.0
Chemicals, industrial and heevy	80	97,143	5.4	5,283	2.2
Oils, animal and vegetable	52	45,351	2.6	1,183	.5
Paints and varnishes	34	28,209	3.7	1,045	.4
Rsdios, appliances and specialties	14	16,209	2.7	435	.2
Industrial equipment and supplies (except electrical and railroad)	4	3,729	9.8	365	.2
Office and store mschines and equipment	35	64,599	.9	606	.3
Surgical, dental, hospital equipment	9	14,470	6.1	880	.4
Tobacco products	53	76,227	5.2	3,975	1.7
Amount not itemized	--	--	--	24,882	10.6
SERVICE AND OTHER RECEIPTS	--	--	--	2,132	.9
DRUGS AND DRUG SUNDRIES (SPECIALTY LINES)					
Total number of establishments	1,268				
Total net sales		123,469			
Establishments reporting commodity sales	1,169				
Reported commodity sales				116,209	
Percent to total net sales			94.1		100.0
DRUGS AND DRUG SUNDRIES	785	78,617	88.7	69,771	60.0
Druggists' rubber goods	127	10,162	23.5	2,386	2.0
Drugs, chemicals and pharmaceuticals	222	14,123	59.6	8,424	7.2
Proprietary medicines	265	27,065	85.4	23,111	19.9
Drug sundries (except soap)	279	33,994	65.9	22,408	19.3
Amount not itemized	--	--	--	13,442	11.6
SOAPS AND TOILETRIES	519	59,837	65.3	39,059	33.7
Toilet articles	129	8,160	35.0	2,867	2.5
Toilet preparations (except soap)	385	51,308	62.3	31,950	27.5
Toilet soaps	114	9,384	14.3	1,338	1.2
Other soaps	53	3,536	19.1	676	.6
Amount not itemized	--	--	--	2,228	1.9
NON-DRUG ITEMS	--	--	--	7,027	6.0
Confectionery and ice cream	20	2,259	12.3	278	.2
Groceries (except as listed)	22	1,434	17.2	247	.2
Oils, animal and vegetable	11	1,552	14.9	231	.2
Other chemicals	26	2,031	19.2	390	.4
Radios, appliances and specialties	9	1,675	20.8	348	.3
Surgical, dental, hospital equipment	9	603	20.6	124	.1
Paper goods (boxes, bags, cups, etc.)	7	13,387	27.4	3,672	3.2
Stationery and supplies	15	1,771	10.1	179	.2
Tobacco products	11	1,934	14.0	270	.2
Jewelry, silverware, etc.	4	1,308	18.1	237	.2
All other commodities	--	--	--	1,051	.8
SERVICE AND OTHER RECEIPTS	--	--	--	352	.3
MANUFACTURERS' SALES BRANCHES					
DRUGS AND DRUG SUNDRIES (SPECIALTY LINES)					
Total number of establishments	270				
Total net sales		128,468			
Establishments reporting commodity sales	219				
Reported commodity sales				122,590	
Percent to total net sales			95.4		100.0
DRUGS AND DRUG SUNDRIES	169	$99,017	97.0	$96,034	78.3
Druggists' rubber goods	2	1,962	1.5	29	--
Drugs, chemicals and pharmaceuticals	99	58,808	95.0	55,876	45.6
Proprietary medicines	49	23,706	94.4	22,372	18.2
Drug sundries (except soap)	30	7,903	56.8	4,485	3.7
Amount not itemized	--	--	--	13,272	10.8
SOAPS AND TOILETRIES	78	48,055	53.8	25,831	21.1
Toilet articles	7	6,662	26.9	1,794	1.5
Toilet preparations (except soap)	65	36,700	50.9	18,678	15.2
Toilet soaps	16	8,099	15.6	1,263	1.1
Other soaps	21	17,219	1.4	236	.2
Amount not itemized	--	--	--	3,860	3.1
NON-DRUG ITEMS	--	--	--	--	--
Surgical, dental and hospital equipment	12	4,553	15.7	715	.6
SERVICE AND OTHER RECEIPTS	--	--	--	10	--
MANUFACTURERS' SALES OFFICES					
DRUGS AND DRUG SUNDRIES (SPECIALTY LINES)					
Total number of establishments	31				
Total net sales		9,940			
Establishments reporting commodity sales	27				
Reported commodity sales				6,505	
Percent to total net sales			65.4		100.0
DRUGS AND DRUG SUNDRIES	8	3,713	100.0	3,713	57.1
Drugs, chemicals and pharmaceuticals	6	3,435	100.0	3,435	52.8
Proprietary medicines	1	48	72.9	35	.6
Drug sundries (except soap)	2	278	87.4	243	3.7
SOAPS AND TOILETRIES	19	2,792	98.9	2,762	42.4
Toilet articles	3	680	100.0	680	10.5
Toilet preparstions (except soap)	16	2,050	99.6	2,042	31.4
Amount not itemized	--	--	--	40	.5
ALL OTHER COMMODITIES	--	--	--	30	.5
AGENTS AND BROKERS					
DRUGS AND DRUG SUNDRIES (SPECIALTY LINES)					
Total number of establishments	140				
Total net sales		26,894			
Establishments reporting commodity sales	124				
Reported commodity sales				22,775	
Percent to total net sales			84.7		100.0
DRUGS AND DRUG SUNDRIES	70	16,767	80.8	13,543	59.5
Druggists' rubber goods	3	992	7.0	69	.3
Drugs, chemicals and pharmaceuticals	23	6,980	75.2	5,251	23.1
Proprietary medicines	19	4,646	60.2	2,799	12.3
Drug sundries (except soap)	24	7,288	33.8	2,461	10.8
Amount not itemized	--	--	--	2,963	13.0
SOAPS AND TOILETRIES	65	11,903	64.9	7,725	33.9
Toilet articles	25	6,672	32.3	2,157	9.5
Toilet preparations (except soap)	43	9,264	45.0	4,171	18.3
Toilet soaps	12	3,374	13.1	443	1.9
Other soaps	7	2,086	2.8	59	.3
Amount not itemized	--	--	--	895	3.9
NON-DRUG ITEMS	--	--	--	1,498	6.6
Groceries (except as listed)	5	1,919	21.6	415	1.8
Other food and relsted products	5	3,084	1.0	31	.1
Oils, snimal and vegetable	8	1,622	18.1	293	1.3
Other chemicals	6	3,404	3.9	134	.6
Petroleum and its products	5	3,822	.8	31	.1
Leather and cut stock	4	2,924	1.3	38	.2
All other commodities	--	--	--	556	2.5
SERVICE AND OTHER RECEIPTS	--	--	--	9	--

1/ The ratio which the particular item in column B bears to the corresponding item in column A

2/ The ratio which the particular item in column B bears to the total of all the items in column B for that particular trade.

TABLE 25.--SALES OF DRUG AND ALLIED COMMODITIES BY KINDS OF BUSINESS AND TYPES OF OPERATION

(all values are expressed in thousands of dollars)

Kind of Business and Type of Operation	Establishments reporting commodity analysis			Sales of drug commodities		Sales of soaps and toiletries 2/	
	Number	Net sales	% of commodity coverage 1/	Amount	% of net sales	Amount	% of net sales
Beer, Wines and Liquors							
Full-Service and Limited-Function Wholesalers	5,177	$659,293	94.4	$1,155	.2	--	--
Chemicals and Paints							
Full-Service and Limited-Function Wholesalers	1,277	245,986	89.4	1,755	.7	$794	.3
Manufacturers' Sales Branches	532	417,594	97.7	568	.1	497	.1
Manufacturers' Sales Offices	197	187,427	98.6	974	.5	--	--
Agents and Brokers	395	92,364	93.8	80	.1	170	.2
Drugs (full line)							
Full-Service and Limited-Function Wholesalers	201	234,515	72.4	178,001	75.9	9,920	4.2
Drugs and Drug Sundries (specialty lines)							
Full-Service and Limited-Function Wholesalers	1,169	116,209	94.1	69,771	60.0	38,383	33.0
Manufacturers' Sales Branches	219	122,590	95.4	99,017	80.8	25,595	20.9
Manufacturers' Sales Offices	27	6,505	65.4	3,713	57.1	2,762	42.5
Agents and Brokers	124	22,775	84.7	13,806	60.6	7,725	33.9
Dry Goods (full line)							
Full-Service and Limited-Function Wholesalers	163	173,758	65.4	794	.5	1,286	.7
Electrical Goods							
Full-Service and Limited-Function Wholesalers	2,269	547,524	95.0	545	.1	--	--
Farm Supplies							
Full-Service and Limited-Function Wholesalers	1,040	202,782	72.0	148	.1	--	--
General Merchandise							
Full-Service and Limited-Function Wholesalers	135	333,248	92.1	5,397	1.6	5,539	1.7
Agents and Brokers	31	19,727	29.7	756	3.8	239	1.2
Groceries (full line)							
Full-Service and Limited-Function Wholesalers	1,786	988,384	50.6	2,386	.2	10,964	1.1
Groceries and Foods (specialty lines)							
Full-Service and Limited-Function Wholesalers	10,726	1,450,621	86.2	--	--	3,329	.2
Manufacturers' Sales Branches	2,962	2,089,418	92.8	--	--	34,583	1.7
Manufacturers' Sales Offices	182	242,080	95.4	--	--	24,657	10.2
Jewelry and Optical Goods							
Full-Service and Limited-Function Wholesalers	1,773	176,954	97.9	--	--	210	.1
Machinery Equipment and Supplies							
Full-Service and Limited-Function Wholesalers	6,138	729,447	87.3	1,128	.2	6,121	.8
Manufacturers' Sales Branches	2,453	662,145	95.5	10,695	1.6	703	.1
Agents and Brokers	2,283	198,770	94.3	153	.1	--	--
Paper and Its Products							
Agents and Brokers	241	38,228	98.0	81	.2	--	--
Tobacco and Its Products							
Full-Service and Limited-Function Wholesalers	2,022	701,410	89.5	4,754	.7	2,228	.3
Agents and Brokers	8	1,460	95.5	--	--	41	2.8
All Other Products							
Full-Service and Limited-Function Wholesalers	3,884	531,547	96.6	402	.1	--	--

1/ - "Commodity coverage" is the ratio which the sales of establishments reporting commodity information bear to the sales of all establishments similarly classified. 2/ - "Other" soaps, such as laundry soaps, have been excluded.

SALES RADIUS

To determine the area which wholesale establishments covered regularly, a question of sales radius was included on the wholesale schedule. No attempt was made to determine total area served by a concern but merely the region in which it contacted customers regularly. Wholesalers were, with this in mind, asked to state the approximate radius in miles within which 75 percent of their 1935 sales were concentrated. This does not mean, naturally, that a wholesaler covers regularly an identical territory in every direction from his place of business. Obviously, in the case of a sea-coast city, the sales territory would not be circular in nature but would at most represent a half circle. This is an extreme example although geographic and competitive factors ordinarily make it desirable for a wholesaler to extend his territory unequally from the city in which he is located. Sales territories tend to be, therefore, irregular in pattern. The information obtained on the wholesale schedule did not develop this point but merely enumerated the longest distance at which a wholesaler sold in order to include three-fourths of his business.

As shown in Table 8, the wholesale drug houses are concentrated in the large trade centers. An examination of the schedules showed that drug wholesalers were almost invariably located in cities of some size. The data in Table 26 should, therefore, be interpreted as representing wholesalers in the larger cities of each geographic division. This information was not given by cities in order to avoid disclosure and to avoid the drawing of conclusions from very small samples. The 119 wholesale merchants which are analyzed had sales of $154,687,000. This sample is explained in detail on Page 43.

An examination of the data in Table 26 shows that establishments representing 67.0 percent of the total business done by these houses regularly serve a territory not exceeding 150 miles. According to the census definition of sales radius these establishments may do some business (not exceeding 25 percent of the total) in areas at a greater distance. Such sales are likely to come, however, from customers who are not covered regularly or who buy from such wholesalers for some particular reason. Since a few sales are likely to be made at very long distances by any wholesaler who does a good sized business, the figures have much greater significance when limited to the normal regularly served areas.

Wholesale merchants whose business amounted to one-quarter (28.7%) of the total operated within a 75 mile radius, while houses representing two-fifths (38.3%) of the business limited their regular territory to between 76 and 150 miles. This does not mean that all of the total business transacted by wholesalers with a radius of from 76 to 150 miles is limited to the area over 75 miles from their establishments and under 150 miles. It does mean, however, that three-quarters of the sales of such wholesalers take place in the establishment, in the local city, in the surrounding cities and adjoining territory to a limit not exceeding 150 miles. As regards a specific city, this second group of wholesalers would compete with the first group (sales radius not over 75 miles) in that city and the surrounding territory up to 75 miles. Above the 75 mile limit the second group of wholesalers (76 to 150 miles) would feel substantially less competition from the establishments with smaller sales radius and, above the 150 mile limit, would offer less competition to wholesalers of the same city which did not limit their sales radius to 150 miles but covered a larger territory.

For the country as a whole, full-line wholesale merchants doing 95.5 percent of the total business limited themselves to a sales radius not exceeding 500 miles. Only in the case of West North Central Division and the Pacific areas did any wholesalers report a sales radius exceeding 500 miles. In addition, houses doing four-fifths (80.9%) of the total business limited their sales radius to 250 miles. Turning to the geographical divisions of the country, it is found that a varied condition exists. The concentration of sales within the 150 mile radius was greatest in the Middle Atlantic and the East South Central states where reporting houses handling all (100.0%) of sales so limited their territory. In the case of the Pacific states, the low point was reached with houses accounting for only 20.0% of the total business limiting the area regularly served to 150 miles. In addition to the Pacific states, the Mountain (31.4%) and the West North Central (38.6%) divisions had a below average proportion of the business handled by firms who limited their sales radius to 150 miles. The other three divisions had three-quarters or more (71.7% to 94.2%) of the total business handled by houses regularly serving a territory not over 150 miles. These figures show clearly a variation between the major areas of the country and the business policies of houses operating in each.

The conclusion is that drug wholesalers do a regional rather than a national or city business. To the wholesale establishment wishing to expand its sales volume or to the manufacturer examining his market coverage, these figures are of significance. They delineate in broad terms to manufacturers the coverage offered by full-line wholesale merchants and indicate the relative desirability to a wholesale merchant of intensive coverage of a small area or thinner coverage of a large section of the country.

TABLE 26.--MARKET RADIUS 1/
SELECTED FULL-LINE WHOLESALE MERCHANTS BY GEOGRAPHIC DIVISIONS

	Number of establishments	Total Net Sales		Percent of Total Net Sales				
		Amount (add 000)	Percent of total for sample	Not over 75 miles	76 to 150 miles	151 to 250 miles	251 to 500 miles	Over 500 miles but not nation-wide
TOTAL	119	$154,687	100.0	28.7	38.3	13.9	14.6	4.5
New England	8	9,965	6.5	21.6	50.1	--	28.3	--
Middle Atlantic	11	21,538	13.9	69.2	30.8	--	--	--
East North Central	21	31,622	20.4	51.0	21.5	5.4	22.1	--
West North Central	11	21,501	13.9	10.6	28.0	16.0	19.6	25.8
South Atlentic	25	17,000	11.0	26.1	68.1	3.9	1.9	--
East South Central	9	7,476	4.8	12.7	87.3	--	--	--
West South Central	16	18,283	11.8	5.8	71.3	11.6	11.3	--
Mountain	8	5,695	3.7	31.4	--	29.6	39.0	--
Pacific	10	21,607	14.0	3.4	16.6	55.2	18.3	6.5

1/ For Census purposes, market radius includes only the area within which 75 percent of the sales of an establishment are made.

Operating expenses are analyzed in detail by sales radius in Table 27. Houses with a sales radius in excess of 150 miles have materially higher costs (15.7% and 14.8%) than those with a smaller sales radius (12.9% and 13.6%). The full-line wholesale merchants with sales radius under 75 miles had the lowest expense ratio (12.9%), although the establishments with sales radius between 76 and 150 miles had only slightly higher costs (13.6%). When delivery, occupancy and warehousing costs are combined, the average ratio was 4.0 percent, decreasing from 4.2 percent for the houses with sales radius under 75 miles to just under four percent (3.9% to 4.0%) for all three groups with larger sales territories. Selling costs show a tendency to increase as the sales radius expands. From a low of 3.0 for the houses with the smallest radius (not over 75 miles), they rise to 3.5 percent (76 to 150 miles), 3.8 percent (151 to 250 miles), and then drop slightly to 3.6 percent (250 miles and over). This increase in selling expenses in the three lower sales radius groups occurs in spite of rising sales per outside salesman, indicating that travelling expenses and similar costs expand to a greater extent than can be offset by larger sales per salesman. In the largest sales radius group (250 miles and over), sales per outside salesman fall somewhat from $141,000 for the 151 to 250 mile sales radius group to $122,000, the lowest figure for any group. Administrative expenses are somewhat higher for the houses with the largest sales radius (5.3%) of 250 miles and over, while "other" expenses (2.0%) also exceed the average (1.8%). The very large "other" expenses for houses with a sales radius bstween 151 and 250 miles probably indicate both a rise in such costs and an inability to allocate certain more normal expenses. Although the reasons for some of these variations cannot be deduced from the data on the wholesale schedule, it is clear that increased expense ratios tend to accompany larger sales radius or greater territorial coverage.

TABLE 27.--MARKET RADIUS 1/ AND OPERATING EXPENSES IN DETAIL
SELECTED FULL-LINE WHOLESALE MERCHANTS

(all values are expressed in thousands of dollars)

Sales Radius (miles)	Number of establishments	Net Sales	Operating expenses		Operating expenses (including pay roll) expressed as percent to net sales						Sales per outside salesman
			Amount	Total	Administrative	Selling	Delivery	Warehouse	Occupancy	Other	
TOTAL	119	$154,687	$21,528	13.9	4.7	3.4	.7	2.2	1.1	1.8	$134
Not over 75 miles	39	44,429	5,743	12.9	4.2	3.0	.9	2.3	1.0	1.5	137
76 to 150 miles	51	59,183	8,036	13.6	4.7	3.5	.6	2.1	1.2	1.5	135
151 to 250 miles	12	21,541	3,377	15.7	4.5	3.8	.7	2.3	1.0	3.4	141
Over 250 miles	17	29,534	4,372	14.8	5.3	3.6	.6	2.3	1.0	2.0	122

1/ For Census purposes, market radius includes only the area within which 75 percent of the sales of an establishment are made.

COOPERATIVE AND MUTUAL WHOLESALERS

The schedules returned by drug wholesalers were examined with care to determine how many houses operated under cooperative or mutual arrangements. Where doubt existed, the individual establishments were contacted in order to obtain as accurate facts as possible. Defining a cooperative or mutual wholesaler as one which transacts over one-half of its business with members or under a cooperative arrangement, twenty establishments furnished data which definitely placed them in this category. In addition, there were ten houses whose reports clearly indicated the cooperative or mutual nature of their operations, although the percentage of total business done under such arrangements was not obtainable. This total of 30 houses differs from the figures given in Table 5 because the information necessary to establish clearly the cooperative nature of three houses is not available and they have, therefore, been omitted from Table 28. A summary of the 30 houses definitely cooperative or mutual and one house which does a minor share of its business under such an arrangement is given in Table 28.

Table 28 - Cooperative and Mutual Drug Wholesalers

Percent Sold to Members, etc.	Number of Establishments	Net Sales (add 000)	Operating Expenses		Pay Roll	Stocks
			Amount (add 000)	% to Net Sales	% to Net Sales	% to Net Sales
Total	31	$34,746	$3,472	10.0	5.5	14.3
11-20	1	x	x	16.2	7.1	23.9
21-30	--	--	--	--	--	--
31-40	--	--	--	--	--	--
41-50	--	--	--	--	--	--
51-60	1	x	x	26.1	16.5	23.5
61-70	--	--	--	--	--	--
71-80	1	x	x	10.9	6.4	12.0
81-90	--	--	--	--	--	--
91-100	18	24,450	2,212	9.0	5.2	14.9
Unknown	10	8,251	919	11.1	5.5	11.4

The operating expenses of the 31 houses shown in Table 28 averaged 10.0 percent of net sales with the 18 houses doing over 90 percent of their business under a cooperative or mutual agreement having the lowest cost ratio (9.0%). Of these 18 houses, 10 gave information in detail about their expenses and such facts are given in Table 29 with similar information for 145 selected full-line wholesale merchants. (see Table 14).

These 10 cooperative and mutual houses had cost ratios of 9.5 percent as compared to 14.0 percent for the 145 full-line wholesale merchants. When delivery, warehouse and occupancy expenses are combined, the ratios of the two groups are found to be almost identical (cooperative and mutual houses 0.1% lower) for these costs. The economies of the cooperative and mutual houses are considerable in selling (2.3%), administrative (0.7%), and "other" (1.4%) expenses.

Of the 18 houses reporting over nine-tenths of their business upon a cooperative or mutual basis, 13 were able to classify their employees by occupational classes. This information, with comparable data for 145 selected full-line wholesale merchants, is given in Table 30. The 13 cooperative and mutual houses had total pay roll expenses equalling 5.3 percent of sales compared to 7.7 percent of sales for the 145 wholesale merchants. This difference is largely accounted for by the fact that outside salesmen amounted to only 2.2 percent of employees receiving 3.0 percent of pay roll for the cooperative and mutual houses, while they composed 14.9 percent of employees receiving 24.2 percent of pay roll for the wholesale merchants. In addition, the outside salesmen of wholesale merchants received higher weekly wages($49) than those ($34) of cooperatives and mutuals. Although other minor conclusions might be drawn, the striking contrast in these two groups appears in the outside selling classification.

Although Tables 28, 29 and 30 show clearly that cooperative and mutual wholesalers doing substantially all of their business (over 90%) under such agreements have lower costs (9.7%) than full-line wholesale merchants (14.0%), the data indicate just as strongly that the selling functions performed by these two types differ materially, particularly with respect to outside selling. As a result, the information presented does not make possible valid conclusions regarding the relative efficiency of the two groups. Rather, the available facts emphasize the difference in the function performed by cooperative and mutual wholesalers as contrasted to full-service wholesale merchants.

Table 29 - Operating Expenses in Detail for Cooperative and Mutual Wholesalers

	Cooperative and Mutual Wholesalers	Wholesale Merchants (Full-line)
Total number of establishments	10	145
Total net sales (add 000)	$12,723	$181,400
Total expenses (add 000)	$1,205	$25,436
Total expenses, percent to net sales	9.5	14.0
Administrative, percent to total	4.0	4.7
Selling, percent to total	1.1	3.4
Delivery, percent to total	.6	.7
Warehouse, percent to total	2.5	2.2
Occupancy, percent to total	.8	1.1
Other, percent to total	.5	1.9
Stocks on hand, December 31, percent to net sales	15.5	18.2

TABLE 30.--OCCUPATIONAL EMPLOYMENT AND PAY ROLL FOR COOPERATIVE AND MUTUAL WHOLESALERS FOR ONE WEEK ONLY.

	Cooperative and Mutual Wholesalers	Wholesale Merchants (Full-line)
Total number of establishments	13	145
Total net sales (add 000)	$22,946	$181,400
Total expenses (add 000)	$2,090	$25,436
Percent to net sales	9.1	14.0
Total pay roll for year (full-time and part-time combined) (add 000)	$1,208	$13,898
Percent to net sales	5.3	7.7
Full-time Employees and Pay roll for One Week Only		
Total number of employees (full-time)	1,023	9,052
Percent to total	100.0	100.0
Total pay roll (full-time)	$25,582	$273,765
Percent to total	100.0	100.0
Average weekly wage	$25	$30
Executives and salaried corporation officers		
Number	32	432
Percent to total	3.1	4.8
Pay roll	$3,077	$42,736
Percent to total	12.0	15.6
Average weekly wage	$96	$99
Office and clerical employees		
Number	347	2,520
Percent to total	33.9	27.8
Pay roll	$8,080	$63,225
Percent to total	31.6	23.1
Average weekly wage	$23	$25
Inside selling employees		
Number	67	492
Percent to total	6.5	5.4
Pay roll	$1,576	$13,568
Percent to total	6.2	5.0
Average weekly wage	$24	$28
Outside selling employees		
Number	22	1,345
Percent to total	2.2	14.9
Pay roll	$755	$66,286
Percent to total	3.0	24.2
Average weekly wage	$34	$49
Warehouse employees		
Number	330	3,594
Percent to total	32.3	39.7
Pay roll	$7,195	$72,953
Percent to total	28.1	26.6
Average weekly wage	$22	$20
Other employees		
Number	225	669
Percent to total	22.0	7.4
Pay roll	$4,899	$14,997
Percent to total	19.1	5.5
Average weekly wage	$22	$22

COMPARATIVE DATA FOR IDENTICAL WHOLESALE MERCHANTS

To compare the wholesale drug trade for 1935, 1933 and 1929 offers numerous difficulties. One possible solution was to select a group of wholesalers for whom usable information was available for the three census years. An examination of the 274 full-line wholesale merchants who reported in 1935 yielded 145 schedules which seem to fulfill all necessary requirements. Each schedule for these full-line wholesale merchants was examined to be sure that no peculiarities existed which might cause material deviation from the trade concept of full-line "wholesalers" or "jobbers". No schedule was included unless it gave a detailed breakdown of operating expenses and employment by occupational groups (see Appendix). These houses represent substantially the full-line "jobber" or "wholesaler" business as defined by the drug trade itself. Wherever this special sample is used, all of the 145 houses were included except where adequate data was not given on the schedules. In the case of comparisons with 1933 and 1929, data were available for all three years only for 120 of the 145 establishments, and, similarly, sales radius information appeared on only 119 of the 145 schedules. The data concerning this special sample is presented in Table 31, the first part of which compares data for the 145 selected houses with the totals for the country given in Table 5, and the second part of which analyzes these 145 houses by business-size groups and major regions of the country.

In comparing the operations of the 120 selected wholesale merchants for whom data were available, the 1929 figures were taken as the base although it is known that 1929 was a year of activity, 1933 a year of depression, and 1935 a year of recovery. The figures in Table 32 thus show the fluctuations of the drug trade for establishments which were in existance before the depression and lived through it successfully. For the country as a whole the sales of these 120 identical wholesale merchants dropped from a high point of $178,307,000 in 1929 to a low of $113,045,000 in 1933. In other words, sales dropped over one-third (36.6 percent) between 1929 and 1933. Between 1933 and 1935 they rose substantially and amounted to 84.0 percent of the 1929 total. While sales fluctuated so considerably, employment maintained a more even keel. Between 1929 and 1933 sales dropped 36.6 percent while employees declined 23.3 percent. Total pay roll showed a greater drop (38.5%) than sales while total expenses fell less (26.4%) than sales, although stocks on hand fell almost two-fifths (37.5%). As shown in Table 33, the result was to increase operating expense ratios somewhat (from 15.0% to 17.4%). Between 1933 and 1935 sales rose from 63.4 percent to 84.0 percent of the 1929 total. Employment, pay roll, stocks on hand and total expenses rose less rapidly so that costs fell from 17.4 percent of sales in 1933 to 13.9 percent of sales in 1935. Comparing the 1935 figures with those for 1929, it is seen that the rise in sales between 1933 and 1935 was more rapid than the rise in the various types of costs so that the 1935 operating expense ratio (13.9%) is somewhat lower than that which existed in 1929 (15.0%). It is, of course, impossible to determine whether this fall in expense ratios is due to the rising efficiency of full-line wholesale merchants or simply to the phase of the business cycle existing in 1935, although it would appear that both influences have been factors. Wages in the drug trade dropped materially between 1929 and 1933, as demonstrated by the fact that employment fell one-fourth (23.3%) while total pay roll dropped almost two-fifths (38.5%). Employment rose to almost 86.6 percent of the 1929 total by 1935, while pay roll increased to three-fourths (74.4%) of the 1929 figure by 1935, showing that wages are still somewhat under the 1929 level and that employment has picked up more rapidly than wages. Part-time employment and part-time pay roll were not available for 1929 and are included for 1935 and 1933 simply to indicate their small importance in the drug trade and to show the drop in part-time employment and pay roll as the depression began to lift.

Stocks on hand (at cost) fell almost two-fifths (37.5%) between 1929 and 1933 and rose from this low point to slightly over three-fourths (78.0%) of the 1929 total in 1935. In comparing the three years, it is significant to note that stocks fell more than sales between 1929 and 1933 and rose less than sales between 1929 and 1935. This shows that, in 1935, drug wholesalers operated with slightly less inventory per dollar of sales than was true in 1929. This shift may be more apparent than real because of the fact that prices were rising in 1935, and it is possible that some of the 1935 inventory may have been bought at the lower prices of an earlier period. There is every indication, however, that price changes in drug merchandise were not adequate to account for the entire difference and that, to some extent, wholesale merchants have found it possible to operate with smaller inventories. The data by geographic divisions in Table 32 permits an examination of the effects of the depression and the later recovery upon the individual sections of the country.

When these 120 identical full-line wholesale merchants are analyzed by business-size groups in Table 33, it is found that, using 1929 as a base, the business done in the smaller size groups increased considerably and was a much larger share of the total in 1933 than in 1929, indicating the substantial decrease in the volume done by each individual house. Similarly, the increase of business in the larger size groups between 1933 and 1935 shows the increased volume of each concern. More significant is the analysis of operating expenses. In all three years, such a large proportion of the total business was done by the houses with a volume over one million dollars that no adequate comparison with the smaller size groups is possible. On the other hand, it is significant to note that the average cost ratios in the three larger size groups for 1935 indicate clearly a lower cost of operation in that year than was the case for any except the most efficient houses in 1929. Turning to pay roll and stocks on hand, the trends are more conclusive in spite of the small volume of business transacted in the smaller size groups because, in each of the three years, pay roll and stock ratios declined consistantly as the annual volume of the house increased, thus showing considerable economy in these two items of expenses in the largest size group. This strengthens the conclusion, as made on page 20, that large full-line drug houses operate at lower cost when they perform functions comparable to those of the smaller houses.

TABLE 31.--SPECIAL SAMPLE OF SELECTED FULL-LINE DRUG WHOLESALE MERCHANTS

A - Size of sample

Geographic divisions	United States total		Sample study		
	Number of establishments	Net sales (add 000)	Number of establishments	Net Sales (add 000)	Percent of sample to United States Total
Total	295	$324,113	145	$181,400	56.0
New England	23	25,565	13	14,208	55.6
Middle Atlantic	39	52,734	14	25,054	47.5
East North Central	50	61,157	23	34,392	56.2
West North Central	32	45,521	12	21,958	48.2
South Atlantic	53	35,202	29	19,420	55.2
East South Central	27	17,264	12	10,592	61.4
West South Central	30	26,672	19	19,976	74.9
Mountain	17	12,806	11	8,022	62.6
Pacific	24	47,192	12	27,778	58.9

B - Sales and expenses by business-size groups

Net sales-size groups	United States Total	New England and Middle Atlantic	East and West North Central	South Atlantic, East and West South Central	Mountain and Pacific
All size groups					
Establishments	145	27	35	60	23
Net sales (add 000)	$181,400	$39,262	$56,350	$49,988	$35,800
Expenses % of sales	14.0	12.4	13.9	14.2	15.7
$100,000 to $199,999					
Establishments	2	2	--	--	--
Net sales (add 000)	$309	$309	--	--	--
Expenses % of sales	17.8	17.8	--	--	--
$200,000 to $499,999					
Establishments	30	3	4	18	5
Net sales (add 000)	$11,263	$909	$1,625	$6,577	$2,152
Expenses % of sales	13.8	18.4	13.0	13.9	12.4
$500,000 to $999,999					
Establishments	46	8	6	25	7
Net sales (add 000)	$34,069	$5,836	$4,255	$18,596	$5,382
Expenses % of sales	14.6	13.7	14.8	15.2	13.3
$1,000,000 and over					
Establishments	67	14	25	17	11
Net sales (add 000)	$135,759	$32,208	$50,470	$24,815	$28,266
Expenses % of sales	13.9	12.0	13.9	13.5	16.4

Census of Business: 1935

TABLE 32.--COMPARATIVE DATA FOR 120 IDENTICAL FULL-LINE WHOLESALE MERCHANTS: 1935, 1933, 1929

(all values are expressed in thousands of dollars)

A - UNITED STATES

Item	1935		1933		1929
	Total	Percent of 1929	Total	Percent of 1929	
Number of establishments	120		120		120
Net sales	$149,788	84.0	$113,045	63.4	$178,307
Total employees	7,530	86.6	6,665	76.7	8,693
Full-time	7,469	--	6,320	--	--
Part-time	61	--	345	--	--
Total pay roll	$11,308	74.4	$9,346	61.5	$15,207
Full-time	$11,274	--	$9,265	--	--
Part-time	$34	--	$81	--	--
Total expenses	$20,892	78.3	$19,633	73.6	$26,681
Stocks on hand, Dec. 31	$27,685	78.0	$22,193	62.5	$35,503

B - GEOGRAPHIC DIVISIONS.

Item	United States Total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East and West South Central	Mountain and Pacific
Net sales								
Total - 1935	$149,788	$7,516	$19,410	$28,631	$18,419	$18,105	$24,019	$33,688
1935 - % of 1929	84.0	84.3	122.5	79.6	80.6	90.8	73.5	79.9
1933 - Total	$113,045	$6,689	$13,758	$22,870	$14,455	$13,017	$15,319	$26,937
1933 - % of 1929	63.4	75.0	86.8	63.6	63.3	65.3	46.9	63.9
1929 - Total	$178,307	$8,917	$15,847	$35,954	$22,853	$19,932	$32,660	$42,144
Total expenses								
1935 - Total	$20,892	$1,101	$2,119	$3,826	$2,599	$2,607	$3,403	$5,237
1935 - % to net sales	13.9	14.6	10.9	13.4	14.1	14.4	14.2	15.5
1933 - Total	$19,633	$1,323	$2,112	$3,304	$2,429	$2,355	$2,766	$5,344
1933 - % to net sales	17.4	19.8	15.4	14.4	16.8	18.1	18.1	19.8
1929 - Total	$26,681	$1,455	$2,043	$5,214	$3,425	$3,124	$4,761	$6,659
1929 - % to net sales	15.0	16.3	12.9	14.5	15.0	15.7	14.6	15.8
Total pay roll								
1935 - Total	$11,308	$624	$1,202	$2,173	$1,322	$1,508	$1,785	$2,694
1935 - % to net sales	7.5	8.3	6.2	7.6	7.2	8.3	7.4	8.0
1933 - Total	$9,346	$712	$1,050	$1,884	$1,207	$1,265	$1,240	$1,988
1933 - % to net sales	8.3	10.6	7.6	8.2	8.4	9.7	8.1	7.4
1929 - Total	$15,207	$818	$1,294	$3,100	$1,822	$1,879	$2,756	$3,538
1929 - % to net sales	8.5	9.2	8.2	8.6	8.0	9.4	8.4	8.4
Stocks on hand, Dec. 31								
1935 - Total	$27,685	$1,235	$2,851	$4,571	$2,745	$3,954	$5,468	$6,861
1935 - % to net sales	18.5	16.4	14.7	16.0	14.9	21.8	22.8	20.4
1933 - Total	$22,193	$1,007	$1,919	$3,791	$2,772	$3,083	$3,700	$5,921
1933 - % to net sales	19.6	15.1	13.9	16.6	19.2	23.7	24.2	22.0
1929 - Total	$35,503	$1,569	$2,718	$6,087	$4,077	$4,456	$7,353	$9,243
1929 - % to net sales	19.9	17.6	17.2	16.9	17.8	22.4	22.5	21.9

TABLE 33.--120 IDENTICAL WHOLESALE DRUG MERCHANTS BY BUSINESS-SIZE GROUPS; 1935, 1933, 1929

	Net-sales size groups						
	All size groups	Under $300,000	$300,000 to $499,999	$500,000 to $999,999	$1,000,000 to $1,999,999	$2,000,000 to $2,999,999	$3,000,000 and over
Number of establishments							
1935	120	3	21	40	39	10	7
1933	120	15	22	50	24	5	4
1929	120	3	15	37	40	15	10
Net sales							
1935							
Amount (add 000)	$149,788	$753	$8,395	$29,545	$52,479	$24,097	$34,519
Percent to 1929	84.0	139.2	143.1	108.0	96.0	67.7	63.6
1933							
Amount (add 000)	$113,045	$3,304	$8,169	$35,478	$32,839	$12,835	$20,420
Percent to 1929	63.4	610.7	139.3	129.7	60.0	36.0	37.6
1929							
Amount (add 000)	$178,307	$541	$5,866	$27,359	$54,688	$35,607	$54,246
Total expenses							
1935							
Amount (add 000)	$20,892	$122	$1,175	$4,234	$7,079	$3,276	$5,006
Percent to net sales	13.9	16.2	14.0	14.3	13.5	13.6	14.5
1933							
Amount (add 000)	$19,633	$565	$1,337	$5,854	$5,546	$2,049	$4,282
Percent to net sales	17.4	17.1	16.4	16.5	16.9	16.0	21.0
1929							
Amount (add 000)	$26,681	$61	$933	$3,876	$8,010	$5,168	$8,633
Percent to net sales	15.0	11.3	15.9	14.2	14.6	14.5	15.9
Total pay roll							
1935							
Amount (add 000)	$11,308	$83	$654	$2,402	$3,748	$1,782	$2,639
Percent to net sales	7.5	11.0	7.8	8.1	7.1	7.4	7.6
1933							
Amount (add 000)	$9,346	$303	$691	$3,110	$2,765	$1,125	$1,352
Percent to net sales	8.3	9.2	8.5	8.8	8.4	8.8	6.6
1929							
Amount (add 000)	$15,207	$30	$517	$2,354	$4,706	$3,017	$4,583
Percent to net sales	8.5	5.5	8.8	8.6	8.6	8.5	8.4
Stocks on hand (at cost) December 31							
1935							
Amount (add 000)	$27,685	$174	$2,200	$5,840	$10,243	$3,537	$5,691
Percent to net sales	18.5	23.1	26.2	19.8	19.5	14.7	16.5
1933							
Amount (add 000)	$22,193	$934	$2,164	$7,444	$5,601	$2,592	$3,458
Percent to net sales	19.6	28.3	26.5	21.0	17.1	20.2	16.9
1929							
Amount (add 000)	$35,503	$194	$1,911	$5,856	$11,157	$6,644	$9,741
Percent to net sales	19.9	35.9	32.6	21.4	20.4	18.7	18.0

The frequency distribution of operating expenses for these 120 full-line drug wholesale merchants is shown in Table 34. For 1929 the highest frequency fell in the 14 to 16 percent class with 38 establishments doing three-tenths (30.6%) of the total business. In 1933 the highest frequency fell in the 16 to 18 percent group with 39 establishments doing one-third (32.9%) of the business, while in 1935 the group with the greatest frequency was the 12 to 14 percent classification where 40 establishments doing one-third (33.2%) of the business were found. When the three frequency groups between 12 and 18 percent are combined, it is found that, in 1929, 84 houses doing 70.8 percent of the total business were included; for 1933, 73 houses doing 64.1 percent of the business were found; and, in 1935, the total rose to 95 houses doing almost four-fifths (77.9%) of the total business. This frequency in cost ratios clearly proves the direct relationship between volume of business and operating expenses in the wholesale drug trade. This conclusion is, moreover, strengthened when one examines the proportion of business done by houses whose cost ratios were between 10 and 14 percent which was 37.2 percent for 1929, 16.4 percent for 1933 and reached the large total of 44.3 percent for 1935. In general, therefore, it is true that large sales volume leads to low cost for the drug trade as a whole. The additional details shown in Table 34 further justify such an analysis.

TABLE 34.--FREQUENCY DISTRIBUTION OF OPERATING EXPENSES FOR 120 IDENTICAL FULL-LINE WHOLESALE DRUG MERCHANTS: 1935, 1933 AND 1929.

(all values are expressed in thousands of dollars)

Total expenses as a percent of net sales	Establishments						Sales					
	1935		1933		1929		1935		1933		1929	
	Number	% of total	Number	% of total	Number	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Total	120	100.0	120	100.0	120	100.0	$149,788	100.0	$113,045	100.0	$178,307	100.0
Under 10	10	8.3	7	5.9	8	6.7	10,309	6.9	3,643	3.2	6,516	3.6
10 to 11.99	7	5.8	9	7.5	12	10.0	16,610	11.1	11,802	10.4	17,340	9.7
12 to 13.99	40	33.4	7	5.8	28	23.3	49,716	33.2	6,766	6.0	48,953	27.5
14 to 15.99	36	30.0	27	22.5	38	31.6	35,388	23.6	28,448	25.2	54,627	30.6
16 to 17.99	19	15.9	39	32.5	18	15.0	31,686	21.1	37,259	32.9	22,584	12.7
18 to 19.99	7	5.8	13	10.8	8	6.7	5,774	3.9	8,425	7.4	8,377	4.7
20 to 21.99	1	0.8	4	3.4	3	2.5	305	0.2	3,004	2.7	11,967	6.7
22 to 23.99	--	--	8	6.7	2	1.7	--	--	3,001	2.7	4,779	2.7
24 and over	--	--	6	4.9	3	2.5	--	--	10,697	9.5	3,164	1.8

APPENDIX

Census of Business Data

The description of the wholesale drug trade presented in this special report has been based upon facts obtained from the eight published volumes of Wholesale Distribution: 1935, and from special tabulations made directly from the individual schedules. Information has also been drawn from Distribution of Manufacturers' Sales: 1935. Other reports published by the Census of Business: 1935, cover Retail Trade (6 volumes), Service Establishments (3 volumes), Banking and Finance, Insurance, Hotels, Places of Amusement, the Construction Industry (3 volumes), Transportation and Warehousing, Radio Broadcasting, Advertising Agencies, and a number of special reports. Since this study of the drug trade is, in part, an illustration of the use of the eight wholesale volumes, a brief description of these is given in the Appendix. Publications of the Census of Business are mailed without charge to interested persons. Requests should be addressed to the Publications Divisions, Bureau of the Census, Washington.

ARRANGEMENT AND CONTENTS OF VOLUMES ON WHOLESALE DISTRIBUTION: 1935

The results of the Census of Wholesale Trade for the year 1935 are published in a series of eight volumes together with a number of special trade reports, as described below:

Volume I - Summary for the United States. A national summary and analysis of all phases of wholesale distribution in 1935, a part of the Census of Business. In this volume the scope of the Wholesale Census is defined; the data for 1935 are analyzed; terms, classifications and tables are explained and national summaries of the tabular data presented in the other volumes are given. For convenience in making comparisons, a summary tabulation for 1929 and 1933 is included.

This volume also contains new matter not treated in greater detail elsewhere, including a section on legal form of organization showing the basic data for individual proprietorships, partnerships and other forms separately by types of operation; an analysis of multi-unit wholesalers, showing the number of establishments, net sales, expenses, employees and pay roll by ownership groups; and a tabulation of the data for auxiliary units of wholesale organizations not included as establishments.

Volume II - States and 25 Selected Cities. Presents number of establishments, net sales, expenses, personnel, pay roll and stocks for each State and for each of 25 selected wholesale trade centers (Table 1). The data are analyzed by types of operation and by kinds of business.

Volume III - Cities and Counties. Presents number of establishments, net sales, personnel and pay roll for each city of more than 5,000 population and for each county (Table 13). The data are analyzed by types of operation end by kinds of business for cities of more than 50,000 population (Table 12A) and by kinds of business for cities of 20,000 to 50,000 population (Table 12B).

Volume IV - Kinds of Business of Full-Service and Limited Function Wholesalers, By States. Presents, by States, the number of establishments, net sales, expenses, personnel, pay roll and stocks for each of 29 kind-of-business groups (Table 1A). In a separate section the number of establishments, net sales, proprietors, employees and total pay roll are shown for 142 kinds of business, by States (Table 1B).

Volume V - Employment and Pay Roll.

a. Monthly employment data by kinds of business (Table 2).

b. Analysis of employment and pay roll by occupational groups (executive, office and clerical, selling, etc.) for a representative week of 1935 (Table 3).

Volume VI - Business-Size Groups, and Analysis of Operating Expenses.

a. Number of establishments, net sales and operating expenses of wholesale merchants and industrial distributors, by business-size groups and kinds of business (Table 4).

b. Functional division of operating expenses (administrative, selling, etc.) of wholesale merchants and industrial distributors, by kinds of business (Table 5).

Volume VII - Credit Sales, and Sales by Classes of Customers.

a. Credit business of full-service and limited-function wholesalers and of manufacturers' sales branches, by kinds of business (Table 6).

b. Business of wholesale establishments analyzed to show sales to retailers, to industrial users, to household consumers, to other wholesale organizations and sales for export separately (Table 7). The data are presented by types of operation and kinds of business.

Volume VIII - Commodity Sales. Analysis of sales of wholesale establishments by commodities or lines of merchandise (Table 8). Data are shown for 100 major commodity lines, many of which are subdivided into detailed commodity items. In this volume the relative importance of the various commodities is shown for each of the 29 kind-of-business groups.

Special Subject Reports. Special reports are scheduled in which the available census data are assembled and analyzed. Among those in preparation, the completion of which is subject to the limitations of time and budget, are:

Cooperative and Voluntary Group Wholesaling (Grocery Trade)
Drug Wholesaling
Electrical Wholesaling
Tobacco Wholesaling
Wholesaling of Wines and Liquors
Wholesaling of Tires and Tubes

CONFIDENTIAL GOVERNMENT REPORT

Section 8 of the Act creating the Department of Commerce and Labor, approved February 14, 1903, provides that: "The Secretary of Commerce shall from time to time make such special investigations and reports * * * which he himself may deem necessary and urgent." Acting upon this authority, I have authorized and instructed the Director of the Census to take a Census of Business covering the calendar year 1935. We ask for the cooperation and assistance of the business men of the United States in this undertaking and assure them that their individual reports will be held *absolutely confidential.* Only sworn employees of the Bureau of the Census will be permitted to examine your report, and no information will be given to any person, whether in Government service or private life, which would disclose, exactly or approximately, any of the facts or figures in your report. The information will be used for *statistical purposes only.*

DANIEL C. ROPER, *Secretary of Commerce.*

Form 31
CENSUS OF BUSINESS
Federal Works Project

DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS
WASHINGTON

WHOLESALE SCHEDULE

CENSUS OF BUSINESS: 1935

SUPERVISOR'S DISTRICT
No. _____
State _____
ENUMERATION DISTRICT
No. _____
County _____
CONSECUTIVE NUMBER OF REPORT
No. _____

A separate report should be prepared for each wholesale distributing establishment or agency. Combined reports for two or more establishments, even though under the same management or ownership, cannot be accepted except on special instruction from Washington.

This report should cover, if possible, the full calendar year operations for 1935, even if ownership has changed during the year.

1. DESCRIPTION OF ESTABLISHMENT:

a. NAME OF ESTABLISHMENT _____

b. NAME OF OWNER _____ RACE (*not for corporations*) _____ (White, Negro, Oriental, Other)

c. LOCATION OF ESTABLISHMENT
State _____ County _____ Township _____
Name of city, town, or village _____
Street and number _____
Is this street number located within the corporate limits of the city, town, or village named above? (*Yes or No*) _____

d. ADDRESS (HOME-OFFICE OR BUSINESS ADDRESS) OF OWNER _____

e. LEGAL FORM OF ORGANIZATION (Place check mark in proper square)
☐ Individual proprietorship.
☐ Partnership.
☐ Corporation.
☐ Other (specify): _____

(1) _____
(2) _____
(3) _____
(4) _____
(CODE—Do not use)

f. WAS THIS ESTABLISHMENT IN OPERATION DURING ANY PART OF 1933? (*Yes or No*) _____

g. Indicate whether since December 31, 1933, this establishment changed—
If changes occurred, give former—
(Check here)
☐ Name _____
☐ Location _____
☐ Ownership _____
☐ General nature of business _____

h. NUMBER OF WHOLESALE ESTABLISHMENTS OWNED BY THIS ORGANIZATION, ANYWHERE IN THE CONTINENTAL UNITED STATES (*including the establishment for which this report is prepared*) _____

i. GIVE ADDRESSES OF WAREHOUSES, TERMINALS, AND OTHER STORAGE FACILITIES IN THIS CITY OPERATED FROM THIS OFFICE AND INCLUDED IN THIS REPORT:
(Name) (City) (Street address)
_____
_____
_____

j. IS THIS ESTABLISHMENT OPERATED BY, OPERATING, OR SPONSORING A COOPERATIVE OR VOLUNTARY GROUP OF RETAILERS? (*Yes or No*) _____
If yes: (1) Under what name? _____ Since what date? (*month and year*) _____
(2) What percentage of your 1935 sales was made to retail members of this group? _____ percent.

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2. KIND OF BUSINESS, 1935:

a. Kind of business _____

(Give usual name or designation by which the establishment is known to the trade or public)

EXAMPLES.—Wholesale grocer, hardware wholesaler, sugar broker, flour jobber, mill and mine supply house, cotton broker, jewelry wholesaler, oil well supply house, etc.

(CODE—Do not use)
(5)
(6)
(7)
(8)

b. Name the principal lines of merchandise sold or handled, *in order of their importance*, based on net sales in 1935:

(1) _____ (3) _____

(2) _____ (4) _____

c. State the approximate radius (in miles) within which 75 percent of your 1935 sales were concentrated: _____ (Miles)

3. TYPE OF OPERATION IN 1935:

(Check the principal function performed or type of operation; i. e., the function or type that accounts for more than 50 percent of the business of the establishment.)

CHECK ONLY ONE

Service Wholesalers

- ☐ Wholesale merchant or jobber (*full service*) — 00
- ☐ Converter — 02
- ☐ Export merchant — 03
- ☐ Importer — 04
- ☐ Industrial distributor — 05

Limited Function Wholesalers

- ☐ Cash-and-carry wholesaler — 06
- ☐ Drop shipper or desk jobber — 07
- ☐ Mail-order wholesaler — 08
- ☐ "Wagon distributor" — 09

Wholesale Unit of Cooperative or Voluntary Chain

- ☐ Retailer operated — 44
- ☐ Wholesaler sponsored or affiliated — 01
- ☐ Other (*describe*) _____

Storage Units

- ☐ Bulk tank station (*petroleum—including commission distributors*) — 41
- ☐ Distributing terminal (*petroleum*) — 42
- ☐ Chain-store warehouse — 43

Manufacturer's Sales Branch (Owned by Manufacturer)

- ☐ Carrying stock for delivery — 11
- ☐ Carrying no stock — 12

Assemblers and Country Buyers

- ☐ Assembler or country buyer of farm products — 31
- ☐ Cream station — 32
- ☐ Cooperative marketing association (*mainly in farm products*) — 33
- ☐ Elevator (*grain*) — 34
- ☐ Packer and shipper — 35

Agents and Brokers

- ☐ Auction company — 21
- ☐ Broker — 22
- ☐ Commission merchant — 23
- ☐ Export agency — 24
- ☐ Import agency — 25
- ☐ Manufacturer's agent (*for two or more manufacturers*) — 26
- ☐ Selling agent — 27
- ☐ Other agent: (*Specify*) _____

Other Types

- ☐ Specify _____

4. NET SALES AND OTHER OPERATING RECEIPTS:

(Brokers and wholesale agents must report selling value of goods and not commissions received.)

		Key
a. Net sales of merchandise (*including all forms of sales taxes*) (Do not include returned goods and allowances.)	$	A–1 E–1
b. Amount of sales, turnover, gasoline, and other commodity taxes paid by you directly to any governmental agency and included in 4*a*, above	$	
c. Net sales of merchandise *less* commodity and sales taxes (*difference between a and b*) (Include taxes which are in the price paid by you for goods.)	$	C–1
d. Of the total sales reported under *c*, above, give the amount of— (The sum of 1, 2, 3, 4, and 5, below, must equal the amount reported under *c*, above.)		
I. DOMESTIC SALES:		
(1) Sales to retailers for resale (*including sales to chains, mail-order houses, department stores, and independent stores*)	$	C–2
(2) Sales to household consumers, including employees (*at retail*)	$	C–3
(3) Sales to industrial and other large users (*sales to manufacturers, railroads, utilities, governmental bodies, hotels, institutions, contractors, oil wells, etc.*)	$	C–4
(4) Sales to other wholesale organizations (*including export concerns and supply houses*)	$	C–5
II. EXPORT SALES:		
(5) Sales made direct to buyers in foreign countries	$	C–6

		Key
e. How much of total net sales represented credit business? (Include sales made on weekly, 10-day, 30-day, and end-of-month, installment, or other credit basis—all except *strictly* cash and c. o. d. sales.)	$	A–2
f. State amount of operating receipts from services and sources other than sale of merchandise	$	B–1

5. STOCKS ON HAND:

a. Inventory of merchandise on hand at actual cost value as of December 31, 1935, or nearest inventory date (*including goods out on consignment*)	$	B–2
b. Value of goods held on consignment by you as consignee	$	B–3

6. PROPRIETORS AND FIRM MEMBERS (does not apply to corporations):

a. TOTAL number of proprietors and firm members (*including those reported under b, below*)		B–4
b. Number of proprietors and firm members devoting major portion of their time to the business		B–5

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7. PAID EMPLOYEES AND WEEKLY PAY ROLLS:

(Do not include in this inquiry persons reported in Inquiry 6, above.)

EMPLOYMENT AND PAY-ROLL DATA FOR FULL-TIME AND PART-TIME EMPLOYEES FOR ONE WEEK ONLY

(Give figures for week ending Oct. 26, 1935. For highly seasonal businesses, report instead one week of normal employment during active season.)

Week covered: From _____, 1935, to _____, 1935

ITEM		Full-time: Number of paid full-time employees during the week — Field 1	Key	Full-time: Pay roll for the week for full-time employees (*salaries, wages, bonuses, and commissions*) — Field 2	Part-time: Number of paid part-time employees during the week — Field 3	Key	Part-time: Pay roll for the week for part-time employees (*salaries, wages, bonuses, and commissions*) — Field 4
a. Executives and salaried corporation officers	D–1			$			$
b. Office and clerical employees (*not including selling employees*)	D–2			$			$
c. Inside selling employees	D–3			$			$
d. Outside selling employees	D–4			$			$
e. Warehouse employees (*including supervisors and shipping clerks*)	D–5			$			$
f. Other employees	D–6			$			$
g. TOTAL (*sum of a, b, c, d, e, and f*)	D–7		A–3	$		B–6	$

		Key
h. How many of the total number of employees shown above (*full-time and part-time combined*) are	Males	B–7
	Females	B–8
i. Total pay roll for the year 1935 for full-time and part-time employees (*salaries, wages, bonuses, and commissions*). (Do not include proprietors' and partners' compensation, but include that of officers of corporation.)	$	A–4
j. How much of the total pay roll (*i, above*) was paid to part-time employees?	$	A–5
k. How many of the total number of employees shown above (*full-time and part-time combined*) are Negroes?		B–9

(9) _____

(CODE—Do not use)

l. TOTAL number of paid employees (*full-time and part-time combined*) working during the pay period ending nearest the 15th of each month of 1935:

MONTH, 1935	NUMBER	Key	MONTH, 1935	NUMBER	Key	MONTH, 1935	NUMBER	Key	MONTH, 1935	NUMBER	Key
		F–1			F–1			F–2			F–2
Jan.		1	Apr.		4	July		1	Oct.		4
Feb.		2	May		5	Aug.		2	Nov.		5
Mar.		3	June		6	Sept.		3	Dec.		6
								(Do not use)			B–10

8. OPERATING EXPENSES (not including cost of merchandise):

(Include pay rolls here as well as in Inquiry 7, above.)

I. To be answered by WHOLESALE MERCHANTS and INDUSTRIAL DISTRIBUTORS whose 1935 sales exceeded $50,000. All other wholesale establishments may use block II, below:

		Key
a. ADMINISTRATIVE EXPENSES (*such as officers' salaries and traveling expenses; office salaries, professional services, office supplies and stationery; postage, etc.*)	$	E–2
b. SELLING EXPENSES (*such as salesmen's salaries, commissions and expenses; house salesmen's salaries; advertising, etc.*)	$	E–3
c. DELIVERY EXPENSES (*such as out-freight, express, parcel post, trucking, etc.*)	$	E–4
d. WAREHOUSE EXPENSES (*such as warehouse salaries, boxing and packing, warehouse lighting, etc.*)	$	E–5
e. OCCUPANCY EXPENSES (*such as rent; maintenance labor; heat, light, power, and water; building repairs and supplies; insurance and taxes on building, etc.*)	$	E–6
f. OTHER EXPENSES (*such as interest on bank loans, losses from bad debts, etc.*)	$	
g. TOTAL OPERATING EXPENSES including pay roll (*sum of a to f*)	$	A–6 / E–7

II. To be answered by all wholesale establishments which do not answer block I, above.

TOTAL operating expenses including pay roll (*do not include cost of merchandise*)	$	A–6

9. SALES OF MERCHANDISE BY COMMODITIES:

If book figures are not available, give the best possible approximations.

Total commodity sales (same as 4a) ____ $____

Key G-1

Commodities Key G-3	Sales Key G-4	Sales Key G-2
FOOD AND RELATED PRODUCTS		
10. Bakery Products (bread, biscuits, crackers, etc.)		$
20. Beer and Other Fermented Malt Liquors		$
30. Butter and Cheese		$
40. Canned Goods, Total (sum of 41 to 46)		$
41. Canned fruits	$	
42. Canned vegetables	$	
43. Canned fish and sea foods	$	
44. Canned meats	$	
45. Canned milk (condensed, evaporated, and powdered)	$	
46. Other canned foods	$	
50. Coffee, Total (sum of 51 and 52)		$
51. Green	$	
52. Roasted	$	
60. Confectionery, Total (sum of 61 to 64)		$
61. Candy	$	
62. Chewing gum	$	
63. Ice cream and frozen ices	$	
64. Other confectionery	$	
70. Dairy and Poultry Products, Except Butter and Cheese, Total (sum of 71 to 74)		$
71. Eggs	$	
72. Milk and cream, fluid	$	
73. Poultry	$	
74. Other dairy and poultry products (Report canned milk under 45, and not here.)	$	
80. Fish and Sea Foods, Total (sum of 81 to 84)		$
81. Fresh fish	$	
82. Cured and processed fish	$	
83. Frozen fish	$	
84. Other sea foods (except canned)	$	
90. Flour		$
100. Fruits and Vegetables, Fresh, Total (sum of 101 and 102) (Report dried fruits and vegetables under 119, and not here.)		$
101. Fruits, fresh	$	
102. Vegetables, fresh	$	
110. Groceries (except as listed), Total (sum of 111 to 119)		$
111. Cereal preparations (except flour and bakery products)	$	
112. Extracts and spices	$	
113. Lard substitutes and cooking fats	$	
114. Nuts (all kinds) (Report unroasted peanuts under 260, and not here.)	$	
115. Oleomargarine and other butter substitutes	$	
116. Pickles, preserves, jellies, jams, and sauces	$	
117. Rice	$	
118. Teas	$	
119. Other groceries (see item 121)	$	
120. Meats and Meat Products, Total (sum of 121 to 124)		$
121. Lard	$	
122. Meats, fresh	$	

Commodities Key G-3	Sales Key G-4	Sales Key G-2
FOOD AND RELATED PRODUCTS—Con.		
120. Meats and Meat Products—Con.		
123. Meats, cured or smoked	$	
124. Other meat products (including game) (Report canned meats under 44, and not here.)	$	
130. Soft Drinks		$
140. Sugar		$
150. Wines and Spiritous Liquors, Total (sum of 151 and 152)		$
151. Liquors, distilled and ethyl alcohol	$	
152. Wines	$	
160. Other Food and Related Products (specify)		$
_____	$	
_____	$	
_____	$	
FARM PRODUCTS—RAW MATERIALS		
170. Cotton, Raw, Including Linters		$
180. Feed, Total (sum of 181 and 182)		$
181. Hay, straw, and alfalfa	$	
182. Mixed and other feeds	$	
190. Grains, Total (sum of 191 to 193)		$
191. Corn	$	
192. Wheat	$	
193. All other	$	
200. Hides, Skins, and Raw Furs		$
210. Livestock, Total (sum of 211 to 215)		$
211. Cattle (including calves)	$	
212. Hogs	$	
213. Horses and mules	$	
214. Sheep and lambs	$	
215. Other livestock	$	
220. Seeds (field, garden, and flower)		$
230. Silk, Raw		$
240. Tobacco, Leaf		$
250. Wool, Raw (whether in the grease, scoured, or carbonized)		$
260. Other Farm Products—Raw Materials (specify—include unroasted peanuts here)		$
_____	$	
_____	$	
_____	$	
_____	$	
CLOTHING, DRY GOODS, AND TEXTILES		
270. Clothing and Furnishings, Men's and Boys', Total (sum of 271 to 274)		$
271. Hats and caps and hat and cap materials	$	
272. Men's and boys' furnishings (except shoes)	$	
273. Men's and boys' suits and overcoats	$	
274. Work clothing	$	
280. Clothing and Accessories, Women's and Children's, Total (sum of 281 to 288)		$
281. Girls' wear	$	
282. Infants' wear	$	
283. Dresses (women's and misses')	$	
284. Hosiery (women's and misses')	$	

9. SALES OF MERCHANDISE BY COMMODITIES—Continued.

Commodities	Sales	
Key G-3	Key G-1	Key G-2
CLOTHING, DRY GOODS, AND TEXTILES—Con.		
280. Clothing and Accessories, Women's and Children's—Continued.		
285. Millinery and millinery supplies	$	
286. Underwear, negligees, corsets, and robes	$	
287. Women's and misses' suits and coats (except fur coats)	$	
288. Other women's and misses' furnishings and wearing apparel (except shoes and furs)	$	
290. Dressed Furs and Fur Clothing		$
300. Notions (such as sewing, hair, and shoe accessories)		$
310. Piece Goods, Total (sum of 311 to 319)		$
311. Cotton piece goods	$	
312. Jute fabrics	$	
313. Linens	$	
314. Rayons	$	
315. Silks and velvets	$	
316. Woolens and worsteds	$	
317. Domestics (sheets, spreads, and comfortables)	$	
318. Curtains, draperies; and curtain, drapery, and upholstery fabrics	$	
319. Other piece goods and yard goods	$	
320. Shoes and Other Footwear, Total (sum of 321 to 326)		$
321. Men's and boys' leather	$	
322. Men's and boys' rubber	$	
323. Women's and children's leather	$	
324. Women's and children's rubber	$	
325. Infants'	$	
326. All other	$	
330. Yarns, Total (sum of 331 to 335)		$
331. Cotton yarns (combed, carded or mercerized)	$	
332. Rayon yarns (all kinds)	$	
333. Silk (spun or thrown)	$	
334. Woolen and worsted yarns	$	
335. All other	$	
340. Dry Goods and Textile Products Not Listed Above (specify)		$
_____	$	
_____	$	
_____	$	
AUTOMOBILES AND AUTOMOTIVE EQUIPMENT		
350. Automobiles and Other Motor Vehicles, Total (sum of 351 to 354)		$
351. Automobiles (passenger cars)	$	
352. Trucks, busses, taxicabs, and other commercial vehicles	$	
353. Tractors	$	
354. Motorcycles	$	
360. Automotive Equipment, Parts and Accessories, Total (sum of 361 to 363)		$
361. Batteries	$	
362. Tires and tubes	$	
363. Other automotive equipment, accessories, and parts	$	
CHEMICALS, DRUGS, AND RELATED PRODUCTS		
370. Drugs and Drug Sundries, Total (sum of 371 to 374)		$
371. Druggists' rubber goods	$	
372. Drugs, chemicals, and pharmaceuticals	$	
373. Proprietary medicines	$	

Commodities	Sales	
Key G-3	Key G-1	Key G-2
CHEMICALS, DRUGS, AND RELATED PRODUCTS—Con.		
370. Drugs and Drug Sundries—Con.		
374. Drug sundries not listed elsewhere (Report soap under 410; toilet articles and preparations under 410, and not here.)	$	
380. Industrial and Heavy Chemicals (including coal tar and other synthetic organic chemicals)		$
390. Oils, Animal and Vegetable (including cottonseed, linseed, essential, etc.) (Report petroleum and its products under 760; cooking fats under 113, and not here.)		$
400. Paints, Varnishes, Lacquers, and Enamels		$
410. Soaps and Toilet Articles and Preparations, Total (sum of 411 to 414)		$
411. Toilet articles (such as brushes, combs, dresser sets, atomizers, manicure implements, etc.)	$	
412. Toilet preparations, except soaps (such as perfumes, powders, rouges, depilatories, creams, etc.)	$	
413. Toilet soaps	$	
414. Other soaps	$	
420. Other Chemicals or Related Products Not Listed Elsewhere (specify), Total		$
_____	$	
_____	$	
_____	$	
ELECTRICAL COMMODITIES		
430. Wiring Supplies and Construction Materials, Total (sum of 431 to 434)		$
431. Interior wiring and construction materials (such as conduit and fittings, wires and cables, wiring devices, safety switches, panels, fuses, etc.)	$	
432. Outside construction materials (such as poles, cross-arms, pole-line hardware, etc.)	$	
433. Lighting fixtures (residential, commercial, and industrial)	$	
434. Incandescent lamps	$	
440. Apparatus and Equipment (such as motors, generators, switchboards, industrial heating equipment, power transformers, etc.)		$
450. Radio, Appliances and Specialties, Total (sum of 451 to 453)		$
451. Radio sets, tubes, parts, and accessories; public-address equipment; radio-phonograph combinations and records	$	
452. Electric refrigerators (household and commercial)	$	
453. All other electrical appliances and specialties (such as clocks, fans, flashlights, food mixers, heating appliances, ranges, water heaters, washing and ironing machines, vacuum cleaners, etc.)	$	
FURNITURE AND HOUSE FURNISHINGS		
460. China, Glassware, and Crockery		$
470. Furniture, Wooden and Metal, Total (sum of 471 and 472) (Report second-hand furniture under 980; electric refrigerators under 452; gas refrigerators under 512, and not here.)		$
471. Household furniture	$	
472. Office and store furniture	$	
480. House Furnishings, Total (sum of 481 to 483) (Report china, glassware, and crockery under 460; gas refrigerators under 512; electric refrigerators under 452; furniture under 470; stoves, ranges, etc., under 516, and not here.)		$
481. Carpets and rugs	$	
482. Linoleum, felt base, and all other floor coverings	$	

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9. SALES OF MERCHANDISE BY COMMODITIES—Continued.

Commodities — Key G–3	Sales — Key G–4	Sales — Key G–2
FURNITURE AND HOUSE FURNISHINGS—Con.		
480. HOUSE FURNISHINGS—Con.		
483. House furnishings, not listed elsewhere	$	
490. MUSICAL INSTRUMENTS, ACCESSORIES, AND PARTS (Report radios and parts and talking machines combined with radios undor 451, and not here.)		$
HARDWARE AND KINDRED PRODUCTS		
500. HARDWARE, Total (sum of 501 to 506) (Report iron and steel sheets and shapes under 640; pipe fittings and valves under 514, and not here.)		$
501. Builders' hardware	$	
502. Heavy hardware	$	
503. Shelf or light hardware	$	
504. Tools and cutlery (Report machine tools under 572, and not here.)	$	
505. Wire screening	$	
506. All other hardware, not listed elsewhore	$	
510. PLUMBING, HEATING, AND AIR-CONDITIONING EQUIPMENT AND SUPPLIES, Total (sum of 511 to 516) (Report pipe under 640 or 650, and not here.)		$
511. Air-conditioning equipment	$	
512. Gas appliances and supplies	$	
513. Oil burners	$	
514. Pipe fittings, valves, brass goods, and specialties	$	
515. Plumbing fixtures, equipment and supplies (including sanitary ware)	$	
516. Stoves, ranges, furnaces, heating apparatus, and parts (except gas and electric)	$	
520. SPORTING GOODS (including arms, ammunition, and bicycles) (Report sport clothing under 270, 280, or 320, and not here.)		$
530. TOYS AND GAMES		$
MACHINERY, EQUIPMENT, AND SUPPLIES		
540. BARBER AND BEAUTY-PARLOR EQUIPMENT AND SUPPLIES NOT LISTED ELSEWHERE		$
550. FARM AND GARDEN MACHINERY, EQUIPMENT AND SUPPLIES (Report wire fencing under 647, and not here.)		$
560. INDUSTRIAL EQUIPMENT AND SUPPLIES, Total (sum of 561 to 566) (Report electrical equipment under 430 and 440; railroad equipment and supplies under 590, and not here.)		$
561. Belting, hose, packing, and mechanical rubber goods	$	
562. Power transmission equipment (such as pulleys, hangers, bearings)	$	
563. Materials-handling equipment (such as trucks, casters, and hoists)	$	
564. Metal-working tools (such as drills, reamers, taps, dies, grinding wheels metal-cutting saws and files)	$	
565. Rope, cordage, and twine (Report wire rope under 648, and not here.)	$	
566. Other industrial equipment and supplies (Report railroad equipment and supplies under 590, and not here.)	$	
570. INDUSTRIAL MACHINERY, Total (sum of 571 to 577)		$
571. Construction machinery	$	
572. Machine tools (power driven)	$	
573. Mining, quarrying, well-drilling, and pumping machinery	$	
574. Oil-well and oil-refining machinery, equipment, and supplies	$	

Commodities — Key G–3	Sales — Key G–4	Sales — Key G–2
MACHINERY, EQUIPMENT, AND SUPPLIES—Con.		
570. INDUSTRIAL MACHINERY—Con.		
575. Power plant machinery and equipment (except electrical machinery)	$	
576. Textile machinery	$	
577. Industrial machinery not listed elsewhere	$	
580. OFFICE AND STORE MACHINES AND EQUIPMENT NOT LISTED ELSEWHERE, Total (sum of 581 and 582)		$
581. Office machines and equipment (such as typewriters, cash registers, computing and manifolding machines, scales, etc.) (Report metal furniture under 472, and not here.)	$	
582. Store fixtures and equipment	$	
590. RAILROAD EQUIPMENT AND SUPPLIES		$
600. SURGICAL, DENTAL, AND HOSPITAL EQUIPMENT AND SUPPLIES		$
METALS AND METAL WORK		
610. ALUMINUM INGOTS, BARS, SHAPES, SHEETS, WIRE, TUBES, AND CASTINGS		
620. BUILDING METAL WORK (SUCH AS FIRE ESCAPES, ELEVATOR CAGES, GRILLES, ORNAMENTAL METAL WORK, ETC.)		$
630. COPPER (INCLUDING INGOTS, BARS, SHAPES, SHEETS, BARE WIRE, PIPE, TUBES, CASTINGS, ETC.)		$
640. IRON AND STEEL AND PRODUCTS, EXCEPT SCRAP, Total (sum of 641 to 649) (Report wire screening under 505, and not here.)		$
641. Iron and steel pipe (including cast, lap weld, butt weld, and riveted)	$	
642. Seamless steel tubing	$	
643. Pig iron	$	
644. Rough castings and forgings (except cast-iron pipe)	$	
645. Steel sheet (including tin and terno plate)	$	
646. Structural iron and steel and reinforcing bars and rods	$	
647. Wire fencing (woven or welded)	$	
648. Wire and wire rope or cable	$	
649. All other rolled iron and steel (including bars, rods, rails, plates, and shapes not listed above)	$	
650. LEAD (METALLIC) AND ZINC (INCLUDING PIG, BAR, SHEET, SHAPES, PIPE, AND PLATES)		$
660. METALLIC ORES (SPECIFY KIND)		$
670. SCRAP IRON AND STEEL		$
680. SHEET-METAL WORK (SUCH AS STEEL GARAGES, VENTILATORS, METAL STORAGE TANKS, AND METAL ROOFING)		$
690. OTHER NONFERROUS METALS (EXCEPT PRECIOUS METALS). BARS, SHEETS, SHAPES, WIRE AND CASTINGS, NONFERROUS ALLOYS AND FERRO-ALLOY MATERIALS		$
NONMETALLIC MINERALS AND THEIR PRODUCTS		
700. BRICK, TILE, AND TERRA COTTA		$
710. BUILDING STONE, SLATE, AND CONCRETE PRODUCTS		$
720. CEMENT, LIME, PLASTER, AND STUCCO		$
730. COAL AND COKE, Total (sum of 731 to 733)		$
731. Anthracite coal	$	
732. Bituminous coal	$	
733. Coke	$	
740. CRUDE NONMETALLIC MINERALS AND THEIR PRODUCTS NOT LISTED ELSEWHERE (Report agricultural limestone and ground phosphate rock under 900, and not here.)		$
750. GLASS (SHEET AND CONTAINERS), Total (sum of 751 and 752)		$
751. Sheet glass (including window and plate glass)	$	
752. Glass containers	$	

9. SALES OF MERCHANDISE BY COMMODITIES—Continued.

Commodities	Sales	
Key G-3	Key G-4	Key G-2
NONMETALLIC MINERALS AND THEIR PRODUCTS—Con.		
760. Petroleum and Its Products, Total (sum of 761 to 767)		$
761. Crude oil	$	
762. Gasoline and naphthas	$	
763. Fuel oils, gas oils, and furnace oils	$	
764. Kerosene	$	
765. Lubricants, automotive	$	
766. Lubricants, other than automotive	$	
767. All other petroleum products	$	
770. Sand, Gravel, and Crushed Stone		$
WOOD, PAPER, AND THEIR PRODUCTS		
780. Books, Magazines, and Other Printed Materials (including sheet music) (Report blank books under 830, and not here.)		$
790. Logs, Poles, Posts, Hewn Ties, Pulpwood and Cordwood (see 432)		$
800. Lumber (rough, dressed, and finished)		$
810. Paper Goods, Such as Paper Boxes, Bags, Cups, Dishes, Napkins, Towels, Patterns, Etc. (Report stationery under 830, and not here.)		$
820. Paper, Uncoated Book, Board, Wall Paper, and Other, Total (sum of 821 to 823) (Report stationery under 830, and not here.)		$
821. Cardboard and paper board	$	
822. Uncoated book	$	
823. Wall paper	$	
830. Stationery and Stationery Supplies (including typewriter paper)		$
840. Planing-mill Products—Woodwork and Other Wood Products		$
COMMODITIES NOT GROUPED ELSEWHERE		
850. Aircraft and Parts, Total (sum of 851 to 853)		$
851. Heavier than air	$	
852. Lighter than air	$	
853. Equipment and supplies	$	
860. Boats (including motor, sail, and steam)		$

Commodities	Sales	
Key G-3	Key G-4	Key G-2
COMMODITIES NOT GROUPED ELSEWHERE—Con.		
870. Building Materials Not Listed Elsewhere (such as wall board, roofing, etc.) (See items 430, 501, 510, 620, 646, 680, 700, 710, 720, 750, 779, 800, 820, 840 for major classes of building materials.)		$
880. Cameras and Photographic Supplies		$
890. Cigars, Cigarettes, and Tobacco, Total (sum of 891 to 893) (Report leaf tobacco under 240, and not here.)		$
891. Cigars	$	
892. Cigarettes	$	
893. Tobacco	$	
900. Fertilizer and Fertilizer Materials		$
910. Jewelry, Silverware, Etc., Total (sum of 911 to 914)		$
911. Clocks and watches	$	
912. Jewelry	$	
913. Precious stones and precious metals	$	
914. Silverware and plated ware	$	
920. Junk and Scrap (Report scrap iron and steel under 670, and not here.)		$
930. Leather and Cut Stock		$
940. Luggage, Saddlery, and Harness, and All Other Products Made of Leather Except Boots, Shoes, Clothing, and Leather Belting (Report shoes and other footwear under 320; clothing under 270 and 280; leather belting under 561, and not here.)		$
950. Motion Picture Film Rentals		$
960. Optical Goods		$
970. Rubber, Crude		$
980. Second-hand Merchandise (specify kind), Total		$
_____	$	
_____	$	
_____	$	
990. Miscellaneous Groups of Commodities (specify kind), Total		$
_____	$	
_____	$	
_____	$	

Remarks: _____

_____

_____

_____

_____

CERTIFICATE

This is to certify that the information contained in this schedule is correct and complete to the best of my knowledge and belief, and covers the period from _____, 19_____, to _____, 19_____

_____
(Signature and official title of person furnishing the information)

_____, 1936.
(Date of signature)

_____
(Signature of enumerator)

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